

SUSTAINABILITY REPORT 2023



TOGETHER, WE GET IT DONE.™

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CRC AND SUSTAINABILITY

I often say to people that “CRC was about sustainability before it was cool”. What do I mean by that statement? Since its founding in 1958, CRC has been dedicated to providing solutions that help things to work better and last longer. We help the hard-working people who do the important work that keeps the world moving forward. Our products help them to clean, lubricate, protect, restore, and re-use a myriad of things – from complex machinery, to motor vehicles, to common household items. Maintaining all of these valuable assets maximizes their efficiency – and extends their usable life. Think of the resources that are conserved by a machine operating at peak performance throughout its life and remaining in operation longer – rather than sending it to the scrap heap prematurely. That’s what CRC is about at its very core – and it’s one of the things that attracted me to the company.

In addition to that fundamental contribution to sustainability, CRC has long adhered to a set of strong operating principles that include environmental, social and governance considerations. Simply put – CRC recognizes and honors its responsibility to operate in a fair and reasonable manner. It strives to maximize its business while at the same



time protecting the interests of its owners, employees, suppliers, customers, and communities.

This report covers numerous initiatives that aim to positively impact the lives of all people touched by CRC’s business. It highlights several noteworthy achievements including significant reductions in energy consumption and carbon dioxide emissions. We’re proud to share these accomplishments and by providing better visibility to our CSR initiatives and Operating Principles, we aim to help our channel partners and end customers to achieve their ESG goals by working with CRC.

We look forward to continuing to share our progress with you.

Len Mazzanti
Chief Executive Officer
CRC Industries

ABOUT CRC



CRC Industries was founded in 1958 as Corrosion Reaction Consultants. The first product, "CRC Corrosion Inhibitor", was a multipurpose product that, with later modifications, developed into CRC 5-56, a trusted brand that's known around the world (now called Power Lube® in the Americas). From the beginning, we wanted to help our customers get the job done. With that goal in mind, we've produced countless products to make those jobs easier.

We manufacture a comprehensive range of professional-grade cleaners, lubricants, corrosion inhibitors, protective coatings, degreasers, greases, additives, parts washers and specialty products. These products help our customers to clean, protect, preserve, maintain and re-use their assets safely and effectively.

CRC products are sold around the world with manufacturing facilities in the Americas, Europe, Australia, New Zealand and Africa.

CRC offers best-in-class professional products and services that protect, preserve, and maintain your assets and operations safely and effectively.

700+

Global Employees

2000+

Products

65+

Years of Experience

120+

Countries Served

7

Manufacturing Sites



The CRC Team is committed to providing solutions to our customers that help them do the important work that keeps the world moving forward. We started from humble beginnings in a Pennsylvania garage with a single product – and we’ve been growing our product portfolio and geographic footprint ever since.

Today, CRC Industries, Inc. is a global leader in the production of specialty products and formulations for maintenance professionals and do-it-yourselfers, serving the industrial, automotive, electrical, food & beverage, marine, heavy truck, hardware, aviation and general manufacturing markets.



TOGETHER, WE GET IT DONE.™

1958

Founded

Norman Larsen co-founded Corrosion Reaction Consultants (CRC) with Charles J. Webb II after fine-tuning his water displacement product and naming it CRC Corrosion Inhibitor 5-56® Multi-Purpose Lubricant.

1960's TO 1970's

New Products and Facilities Supporting Industry & Geographic Expansion

- Brakleen invented in 1971
- Expanded capabilities to meet the needs of industrial, electrical and automotive markets
- Formed regional subsidiaries in Europe and Asia Pacific
- Invested in new facilities in the US, Belgium, Australia and New Zealand

1980's TO 1990's

Acquisitions Fuel Continued Industry & Geographic Expansion

- Acquired by Berwind in 1981
- Acquired numerous brands and invested in R&D to expand into new markets such as greases, leak solutions, adhesives, and auto appearance products
- Stronger presence in Europe and Asia

2000's TO 2020's

Acquisitions to Enter New Categories and Programs to Increase Customer Value

- Additional acquisitions and R&D investments to expand into the parts washer, rust removal, welding and marine categories
- Stronger presence in UK and South Africa
- Created value-added programs to help customers manage cost and compliance

2024 & BEYOND

Global MRO Solutions Provider

- Committed to being the most Globally Recognized and Trusted brand by tradespeople and enthusiasts for maintenance and repair solutions.



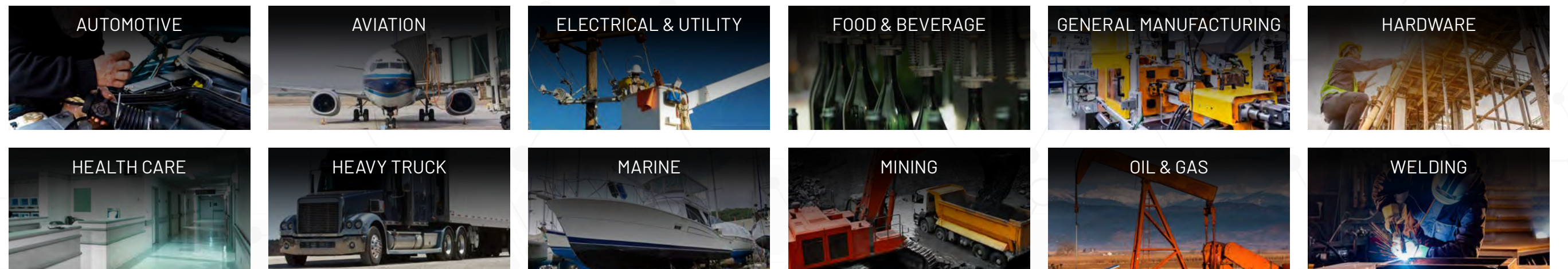
- ★ HEADQUARTERS
- SALES
- SALES & DISTRIBUTION
- MANUFACTURING, SALES, WAREHOUSING & DISTRIBUTION
- MANUFACTURING, WAREHOUSING & DISTRIBUTION



BRANDS



MARKETS SERVED





ECOVADIS

CRC was awarded the EcoVadis Silver medal in 2023 for scoring among the top 25% percent of companies reporting in our industry sector (manufacture of soap and detergents, cleaning and polishing preparations). We are proud to have improved over our 2022 Bronze medal rating.



CDP

In 2023 CRC submitted the CDP (Climate Disclosure Project) survey on Climate Change and received a C which is in the Awareness band, indicating knowledge of impacts on, and of, climate issues. This score improved over the 2022 score.



ISO 9001

CRC-owned manufacturing and distribution facilities in the US, Belgium, UK, South Africa, and Australia are certified to the ISO 9001:2015 standard for quality systems.



ISO 14001

CRC's UK manufacturing site is certified to the ISO 14001:2015 standard for environmental management systems. CRC's other manufacturing sites are closely aligned to this standard and utilize industry best practices for environmental regulatory compliance and stewardship.

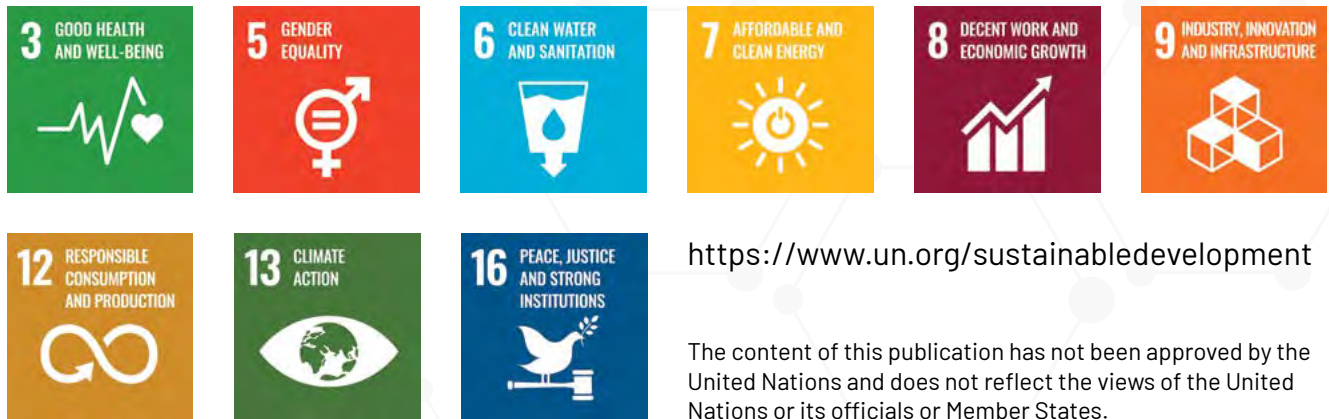


SUSTAINABILITY STRATEGY

We believe that sustainability principles provide an invaluable foundation that serves to strengthen our operations, enhance risk management, attract, and develop talented employees, uphold our reputation, and cultivate an even stronger connection with our consumers. As a global company, and market leader, we feel it is important to include environmental, social and governance considerations in our approach to corporate social responsibility.

At CRC, we aim to grow our business while reducing our environmental footprint and increasing our positive social impacts. This report describes our key focus areas along with measurable metrics that have been established for 2024 in the areas of greenhouse gas emissions, hazardous waste, total recordable injury rates, and Code of Business Conduct training. We foresee adding additional metrics and goals as our Sustainability Strategy evolves with the input of our stakeholders.

The actions described in this report contribute to the following UN Sustainable Development Goals:



<https://www.un.org/sustainabledevelopment>

The content of this publication has not been approved by the United Nations and does not reflect the views of the United Nations or its officials or Member States.





CUSTOMER FOCUS

We aspire to serve our customers better than anyone else, as they are the core of our business.



GOLDEN RULE

We act in a respectful and responsible way to everyone we interact with.



INNOVATIVE

We develop unique solutions by recognizing the opportunities for improvement in the marketplace and understanding the values and requirements of our customers.



OWNERSHIP

Every CRC employee has a 'voice' to take ownership and present ideas for growing our company and nurturing corporate culture and responsibility.



QUALITY

We continually improve the value and quality of our products and services to maximize customer satisfaction.



SAFETY

We are committed to the safety, health, and wellness of our employees as they are our most valuable resource. We provide training, support and monitoring programs that adhere to the highest safety standards.



TEAMWORK

We work together to quickly adapt to the ever-changing needs of our customers and the market to achieve our goals together.



CRC BOARD OF DIRECTORS

	GLOBAL LEADERSHIP TEAM	REGIONAL LEADERSHIP TEAMS	GLOBAL ESG TEAM	REGIONAL EMPLOYEE ENGAGEMENT TEAMS
DESCRIPTION	Executive management team composed of CEO and Departmental Vice Presidents, meeting monthly	Management team in each of our three regions composed of department heads and managed by Regional President / Director, meeting monthly	Composed of employee volunteers from all regions and diverse roles (HR, Operations, Marketing, Sales, HSE, and Finance) managed by the Global Director of Regulatory Affairs and supported by the CEO, meeting monthly	One group in each region composed of employee volunteers from various departments managed by the regional HR Manager, meeting monthly
RESPONSIBILITIES	Provides leadership and governance over ESG program and monitors performance against our goals. Ensures that CRC is responding to stakeholder needs and expectations.	Manages regional risks and opportunities related to sustainability, finance, operations and compliance. Oversees implementation of policies to further sustainability performance targets.	Supports global ESG strategy by developing initiatives and policies around the issues that are material to our company. Assists with the communication of ESG activities to CRC employees.	Responds to feedback from employee engagement surveys. Provides input on programs to address employee requested changes and improvements.





SUPPLIERS

CRC's key raw material categories are chemicals and packaging components. CRC operates under a Sustainable Procurement Policy and expects our suppliers to abide by our Supplier Code of Conduct.



DISTRIBUTION

Raw material chemicals and packaging components travel to CRC through distributors and multi-modal logistics partners, including rail. We work with these partners to find ways to reduce the emissions created during transportation, utilizing bulk shipment methods where possible.

MANUFACTURING & WAREHOUSING

CRC blends and packages specialty chemical products for several key applications including cleaning and lubrication of equipment. For the past two years we have increased our focus on reducing the environmental footprint of our operations and finding ways to make our operations more efficient and less wasteful.

CUSTOMERS

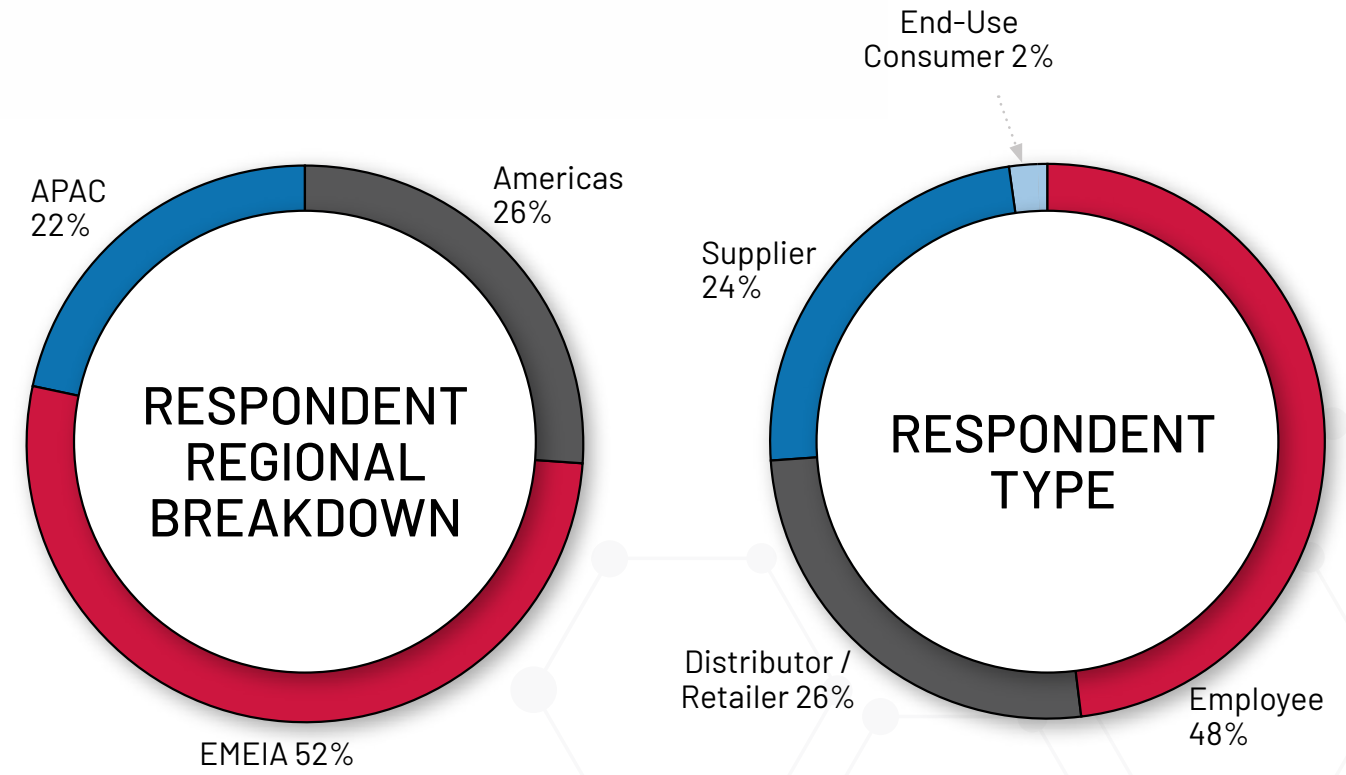
CRC sells products through a variety of third-party business channels. We employ IT-enabled solutions to maximize transportation efficiency to our customers. We provide best in class regulatory and technical support to assist our customers with proper handling, storage and transport of our products. We work with these key partners to compliment their ESG goals.

CONSUMERS

Our diverse products are used in industrial, institutional, commercial & household settings. CRC provides several online resources and live technical support to ensure that our products are used correctly and safely. We encourage our users to recycle the empty containers in order to minimize waste.

In 2023, CRC Industries Global conducted a thorough materiality assessment to select the most significant or 'material' ESG topics. This involved engaging stakeholders through a structured questionnaire, where they were asked to prioritize ten predefined topics and provide feedback on any additional ESG issues. The questionnaire was distributed electronically to various employees, suppliers, distributors, retailers and end-user customers.

In total, 256 respondents from all regions we operate in contributed their insights. The ten topics were scored and weighted based on internal and external stakeholder prioritization. By capturing diverse perspectives, the assessment ensured a comprehensive understanding of stakeholder priorities.



TOP 5 MATERIAL TOPICS:

- Employee health & safety
- GHG emissions
- Business ethics
- Human rights & community relations
- Waste, recycling & hazardous material management

Materiality assessments are dynamic processes, continually evolving alongside our business. In 2024, we will be conducting a full double materiality assessment, following the ESRS guidelines, to further refine our understanding of material issues and align our sustainability efforts with evolving stakeholder expectations.



ENVIRONMENTAL POLICY

GENERAL PRINCIPLES

CRC Industries, Inc., is committed to protect the environment and minimize impacts to the environment from our activities and products. Keeping our environment clean and unpolluted is a benefit to all. As such, CRC will consider environmental issues as part of its strategies and initiatives.

CRC strives to manage, develop, and enhance its environmental performance, prevent pollution, and ensure it fulfils all its compliance obligations to legal and other requirements by delivering continual improvement via an Environmental Management System.

STAKEHOLDER ENGAGEMENT

We work closely with our internal & external stakeholders to identify and evaluate the environmental impacts of our operations and products. Our employees provide valuable feedback on process optimizations that can reduce emissions and waste. Likewise, our customers share useful insights that contribute to

our product innovations and improvement of processes. In addition to our regular interactions, we actively involve internal & external stakeholders in our materiality assessments through online surveys and one-on-one interviews.

OUR QUALITATIVE OBJECTIVES:

- Use environmentally sound operating practices and technologies
- Review annually our measures to maintain and improve performance in these areas that have a significant environmental impact:
 - Ensure the safe and efficient storage, handling, use, transport, and disposal of all materials and wastes
 - Manage all processes to reduce emissions to air and discharges to water
 - Optimize the use of fuels, energy, water, and raw materials to reduce GHG emissions
 - Investigate incidents, taking steps to eliminate or mitigate further incidents
 - Reduce waste by re-use, recycling, and improvement of processes
 - Consider the impact on biodiversity of our operations

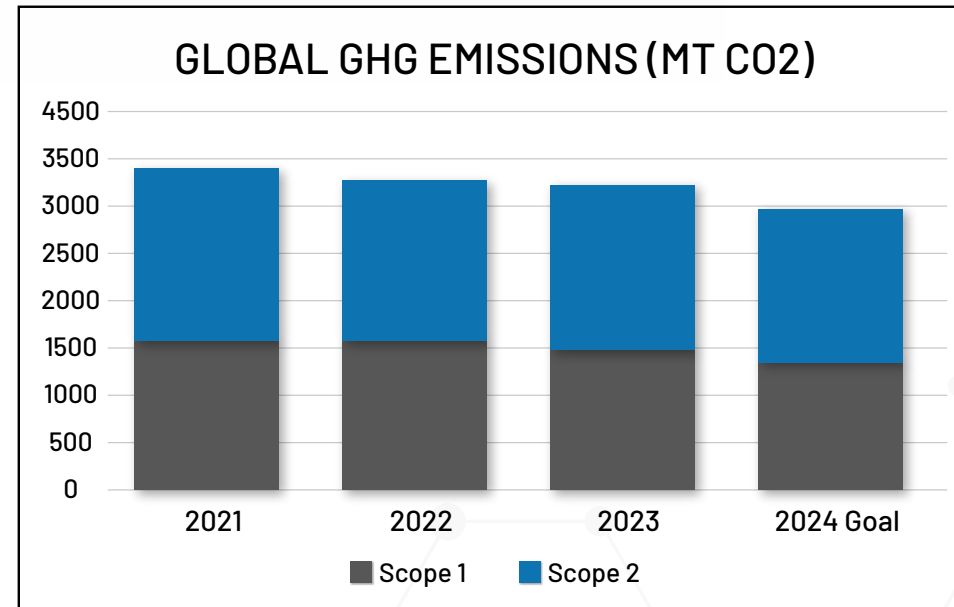


GHG Emissions were scored as a high impact material issue by our stakeholders. As part of our environmental policy, we aim to reduce and continuously monitor our greenhouse gas (GHG) emissions. By analyzing major emission sources, we can prioritize actions to significantly reduce our environmental impact. Aligned with the GHG Protocol, we have gathered activity data for Scope 1 (direct emissions from owned sources) and Scope 2 (indirect emissions from purchased energy).

INITIATIVES IN 2023 TO REDUCE GHG EMISSIONS:

- Our Bridgwater, UK facility started sourcing 100% renewable electricity in April 2023
- An old boiler in our Warminster, US facility was replaced with a higher efficiency unit in late 2023.
- Three of our facilities previously converted all fork trucks to electric. During 2023 an additional facility converted all fork trucks to electric.

2024 TARGET:
8% REDUCTION FROM 2023



INITIATIVES IN 2024 TO REDUCE GHG EMISSIONS:

- Our Belgium facility and 2 U.S. facilities will begin sourcing 100% renewable electricity in January 2024
- The high temperature storage room in our Bridgwater, UK facility will be converted from using natural gas to using electricity.
- Aerosol products that utilized R-134A propellant are being reformulated to non-GHG propellants.

FUTURE CONSIDERATIONS:

- CRC is working to gather data that will allow us to characterize and calculate Scope 3 emissions (upstream and downstream value chain emissions). We can then work with strategic members of our value chain to investigate decarbonization opportunities in the near and long term.

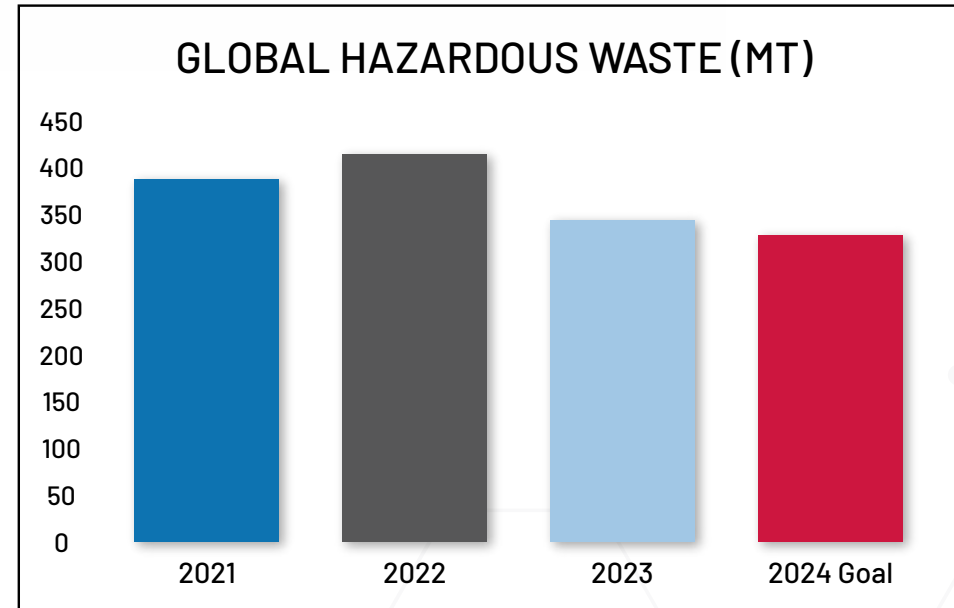


Waste & Recycling was scored as a high impact material issue by our stakeholders. As a chemical blending and packaging operation, our sites generate both hazardous and non-hazardous chemical waste streams. CRC's initial waste reduction goal focuses on the hazardous waste – both liquid and solids – that are produced from line flushing, off-specification batches, expired raw materials or products, or clean-up activities.

INITIATIVES IN 2023 TO REDUCE HAZARDOUS WASTE GENERATION:

- Process and scheduling optimizations have reduced the amount of line flushing that needs to be performed during production changeovers
- The Australia and New Zealand sites implemented waste management software to better track waste and inform reduction opportunities.

**2024 TARGET:
5%
REDUCTION
FROM 2023**



INITIATIVES IN 2024 TO REDUCE HAZARDOUS WASTE GENERATION:

- Several sites are reformulating products to reduce or eliminate certain regulated hazardous chemicals.
- We are focusing on quality processes that prevent the generation of off-spec batches or products.



CRC's R&D teams are developing products with a lower environmental impact

- Our Smartwasher® parts washing systems utilize advanced bioremediation technology that breaks down oily contaminants in the cleaning fluid and allows continual re-use. A circular solution!
- Globally we are introducing more water-based cleaning and degreasing products. An example in the EU is CRC ECO Complex Blue which is Food Processing Safe® and is not classified as harmful to the environment.

We are looking at ways to reduce excess packaging.

- In the U.S., we reduced the outer carton size on the CRC GDI Service Pack Kit which increased the number of cases per pallet by 18%. This allows more product to fit on a truck, which in turn, contributes to less trucks on the road.
 - Our Australia facility is a member of the Australian Packaging Covenant Organization (APCO). Their packaging sustainability program is rated as "leading" which shows significant progress towards APCO initiatives.
 - In EMEIA we work closely with some of our suppliers to increase the use of 65mm lightweight aerosol cans, reducing their weight by 10%, with plans to extend these innovations to 45mm and 52mm cans in 2024, achieving weight reductions of 13% and 12%, respectively. Additionally, we switched our CO Contact Cleaner cans to a supplier dedicated to lightweight cans, continuing our commitment to sustainable practices.



CRC encourages recycling both at our facilities and with our product users.

- Most of our sites recycle paper, cardboard, steel containers, plastic containers, shrink wrap, wood pallets, and batteries
- Our US site is a sponsor of the Aerosol Recycling Initiative which is working to achieve at least an 85% recycling access rate for all empty aerosol containers in the US and to promote universal recycling messaging on aerosol product labels.

CRC empowers our employees to make a difference for our environment.

- We have expanded our bicycle lease program in Belgium to incentivize employees to commute more by bike to work
- Belgium employees participate in a volunteer program to collect waste on the streets near and around our production facility.

We are updating our offices to use fewer resources.

- AU and NZ facilities changed processes and ways of working to move to paperless office environments.



SOCIAL POLICY

GENERAL PRINCIPLES

We value and respect all people touched by our business. We will strive to minimize any risk to the health and safety of our employees, the local community, or our end users. CRC Industries aims to conduct its business activities in an ethical manner, as well as in compliance with all applicable Occupational Health and Safety Legislation. The safety of our employees during the manufacture of all our products, as well as the minimization of health risk to our product users is of the utmost importance to CRC.

We support diversity, equity, and inclusion in our workplaces. We provide training and professional development opportunities to all employees as they are our most valuable assets. We nurture the well-being of our employees by ensuring fair and safe working conditions. We are committed to developing our partnerships with our suppliers and customers and encourage the reporting of concerns by anyone in our value chain.

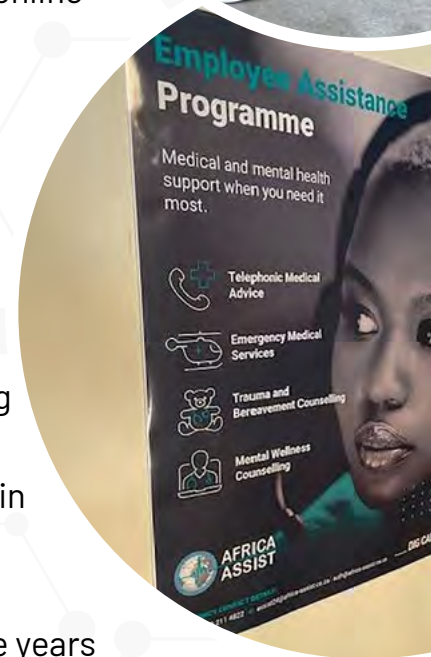
STAKEHOLDER ENGAGEMENT

We actively seek the input of our internal and external stakeholders to identify and evaluate the impacts of our activities. Employees participate in biennial employee engagement surveys. Managers encourage communication through an open-door policy and routine

employee check-ins. An anonymous reporting phone line is available 24 hours a day. Social media creates a connection with our customers and product users that supplies valuable feedback. In addition to our regular interactions, we actively involve stakeholders in our materiality assessments through online surveys and one-on-one interviews.

OUR QUALITATIVE OBJECTIVES:

- Identify hazards associated with site activities and operations and continuously improve the control of potential hazards
- Develop a culture of safety and provide regular communication and appropriate training to all employees
- Operate effective health monitoring programs for all employees working with or around chemical substances
- Provide suitable data to users of our products to allow them to be used in the safest possible manner
- Review our Safety Management System and associated documentation following significant change within the business processes or every five years
- Promote volunteerism of employees through company organized activities.
- Provide a diverse and inclusive workplace environment that promotes health and well-being while building skills that support professional growth and retention of our employees.



Employee health and safety was the highest rated material topic during our Materiality Assessment among both internal and external stakeholders. CRC couldn't agree more that this topic is of primary importance when conducting our operations. Every employee should feel safe and secure in their working environment and should return to their loved ones every day in the same condition that they left. We strive to instill a zero incident culture.

INITIATIVES IN 2023 TO REDUCE TRIR:

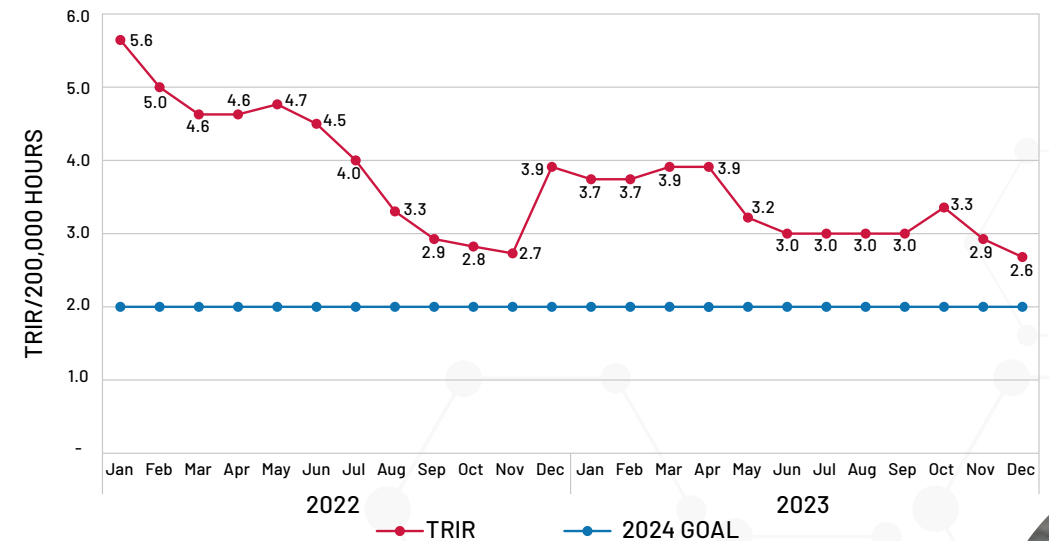
- We increased our focus on reporting near-miss incidents. This has given us more insights on improvement opportunities that will prevent future incidents.
- We recognize that simple steps like good housekeeping are crucial to keeping our work areas clean, organized and free of hazards.

INITIATIVES IN 2024 TO REDUCE TRIR:

- We are implementing Incident Management software to aid in the tracking, analysis and follow-up of reported incidents, including near-miss reports

**2024
TARGET:
TRIR OF
LESS THAN
OR EQUAL TO
2**

GLOBAL TRIR (TOTAL RECORDABLE INCIDENT RATE) ROLLING



FUTURE CONSIDERATIONS:

- CRC has started tracking Lost Time Injury Frequency Rate (LTIFR) and Lost Time Injury Severity Rate (LTISR) to glean more specific information about the most serious injuries. Additionally, we are exploring leading indicators to bolster our prevention efforts.



INVESTING IN OUR PRODUCTION SITES:



Australia:

- Enhanced site safety by installing new security gates
- Upgraded fire detection system; including a new fire panel, additional alarms for full site coverage, installation of fire hydrants, enhanced emergency exit signage and lighting as well as improvements to the fire hose system.
- Replaced the stairs throughout the manufacturing site to ensure safe and efficient access to different levels and equipment, especially in higher risk areas such as the blending room.



New Zealand:

- Replaced outdated machinery with new, guarded equipment, including a complete liquid bottle filling line and introduced new automated adhesive filling and sealing machines, enhancing safety
 - Reduced risk when blending with powder raw material by upgrading the delivery system and pipework, eliminating hazardous dust
 - Refurbished the office area by incorporating ergonomic improvements to ensure a more comfortable work environment



Belgium:

- Decoupled ventilation lines such that work stations have higher air flow rates. This then contributes to a safer and healthier working environment for our employees.
- Upgraded software on production line that provides indication and instructions to aid employees when handling line emergency situations

INVESTING IN OUR EMPLOYEES:

- All manufacturing and warehousing site employees receive regular training encompassing job specific functions, health, ergonomics and safety, environmental awareness, and hazard communication.
- Annual health testing is performed at CRC's manufacturing sites globally to monitor employee exposures related to job functions.



- When outsourcing certain work, CRC partners with organizations that give employment opportunities to persons with disabilities, bringing them a sense of purpose and social inclusion.
- Our South Africa site sponsors a local orphanage by donating LPG cylinders for their gas stoves to help with their daily cooking needs.
- Our Australia site hosts an event annually called 'Biggest Morning Tea' which is run by the Cancer Council to raise funds for cancer research and treatment.
- The America's Commercial Team constructed 36 children's bikes which were donated to New Beginnings Youth and Family Services in Cambridge, MD.

- Pennsylvania, U.S. employees participated in the Wounded Heroes 5K run to support wounded veterans in the community.
- The Belgium site hosts local students to explain our vocational opportunities and familiarize students with the aerosol industry
- New Zealand employees participated in the Southern Cross Round the Bays run which raises money for various New Zealand charities.



- Silver sponsor of McKay NAPA Auto Parts' 'Strut Your Stuff Car Cruise-In' to benefit the Make-A-Wish Foundation of Illinois
- Participated in U.S. NAPA promotion where we donated a portion of all Brakleen sales during the month of July to the Intrepid Fallen Heroes Fund. Our total donation was over \$78,000. The Intrepid Fallen Heroes Fund serves US military personnel suffering from traumatic brain injury, post-traumatic stress, and other severe injuries.
- CRC Australia and New Zealand support a diverse range of charitable organizations including Lifeline Australia, The Kids Heart Foundation, Autism NZ, Inc., and the Southern Stars Charitable Trust.
- Sponsored the Vallen Canada Charity Golf Event which benefitted the Heart & Stroke Foundation of Canada and the Ben Stelter Fund.



- CRC supports the next generation of the trades through monetary and product donations of more than \$80K to Universal Technical Institute (UTI) and the Techforce Foundation.
 - Furnished an entire classroom at UTI Miramar, CA with CRC products and learning materials.
 - Held contest with the TechForce Foundation called the Leaderboard Challenge where CRC products were awarded to the students who completed the most training.
- Our Australia employees packed up Christmas hampers that were donated to The Sanctuary, which supports women and children who are homeless or leaving domestic abuse, and Foodbank, one of Australia's largest food relief organizations.



GOVERNANCE

CRC aims to be a responsible business that meets the highest standards of ethics and professionalism. Every CRC employee is required to honor a corporate “Code of Business Conduct.” Our code represents our minimum standards and expectations and defines the boundaries within which we operate.

LABOR AND HUMAN RIGHTS

CRC supports and respects the protection of internationally proclaimed human rights and we ensure that our business activities are not complicit in human rights abuses.

- CRC does not use child or forced labor in any of its global operations or facilities.
- CRC is an equal opportunity employer as a matter of law, ethics and good business practice. It does not discriminate on grounds of race, color, religion, gender, national origin, age, disability, sexual orientation, political affiliation, union membership or any other status protected by law.
- CRC abides by a strict Anti-Harassment Policy and will not tolerate any form of discriminatory harassment.
- CRC pays workers according to applicable wage laws, including minimum wages, overtime and legally mandated benefits, and complies with the laws on working hours in the countries in which it operates.
- CRC respects the rights of workers, in accordance with local laws, to associate freely, join or not join labor unions, seek representation, and join workers’ councils.



ANTI-CORRUPTION

CRC stands against corruption in all of its forms, including extortion, bribery, or money laundering. We compete fairly and ethically for contracts and other business opportunities. We will not use any illegal or unethical practices, such as improperly obtaining proprietary information of a competitor, or price-fixing, coercion, or collusion, in an attempt to obtain business.

LEGAL COMPLIANCE

CRC complies with all applicable laws in the countries in which we do business including anti-boycott laws, import and export controls and economic sanctions, securities laws, and laws applicable to contracts with any government.

CRC will cooperate with appropriate government investigations. We have reporting systems in place and encourage all employees to report suspected cases of non-compliance with any government regulation or CRC policy.

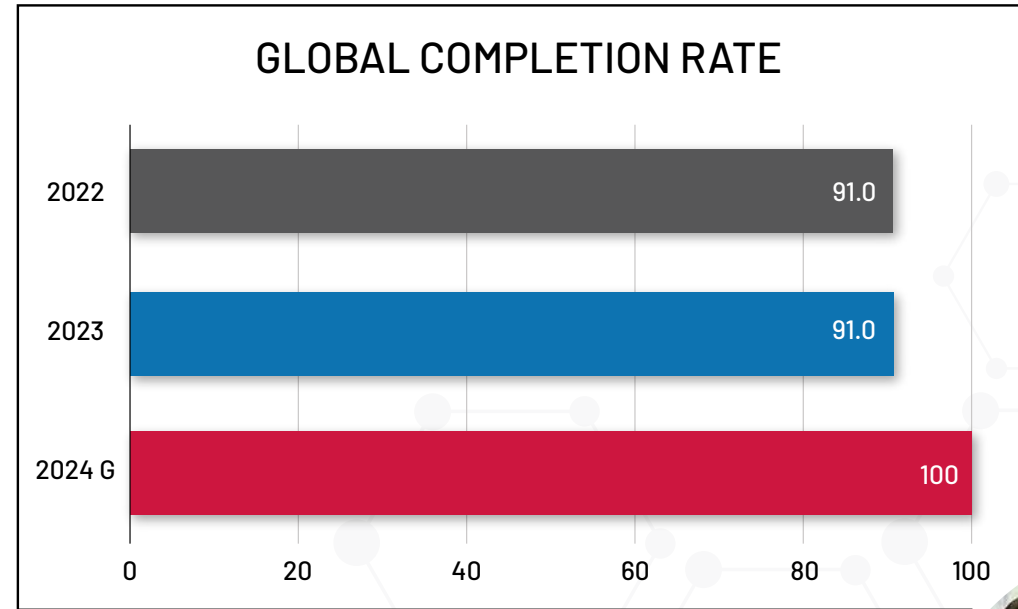
IT SECURITY

CRC recognizes that effective safeguarding and management of company information and information systems is necessary to reduce threats that could cause loss of business, disruptions to operations or impact to company reputation. Technical controls are utilized to manage access to company information and to safeguard the company, information, network, and systems from malicious threats. The Information Security Program continually tests, monitors, and makes improvements for constantly evolving threats.



A Code of Business Conduct is an important part of building a resilient and successful organization with strong business ethics embedded into daily decision-making. Participants of our materiality assessment agreed that high ethical standards must be the basis for our operations. Accordingly, we mandate that all new employees receive the training at the time of hire, while all current employees participate in annual review and certification to the Code of Business Conduct.

2024
TARGET:
100%
COMPLETION
RATE
OF CODE OF
CONDUCT
REVIEW
BY ALL ACTIVE
EMPLOYEES



INITIATIVES IN 2024:

- We are implementing a Human Capital Management system which will create better data integrity and stronger process efficiency for this initiative.
- We will expand and diversify communication through public postings in highly trafficked areas of our facilities as well as online to remind employees of their responsibility to participate in the Code of Business Conduct review.



SUPPLY CHAIN MANAGEMENT

CRC Industries recognizes its responsibility to contribute to a sustainable future by integrating environmental, social, and economic considerations into its procurement practices. This Sustainable Procurement Policy outlines our commitment to sourcing goods and services in a way that minimizes environmental impacts, fosters ethical and transparent relationships with our suppliers, ensures compliance, and promotes continuous improvement to achieve economic, social, and environmental benefits.

GENERAL PRINCIPLES:

- **Regulatory Compliance:** We expect all suppliers to comply with relevant regulations, which we consider a fundamental requirement.
- **Supplier Code of Conduct:** We distribute our Supplier Code of Conduct to all strategic suppliers and expect them to adhere to it. This document outlines our expectations for ethical, environmental, and social responsibility in the supply chain. This policy is available for all suppliers on our global website.
- **Quality Agreements:** We establish quality agreements with many of our suppliers, which include certain regulations. While these agreements are not specifically focused on sustainability, they set out important standards for product quality and safety.

STAKEHOLDER ENGAGEMENT:

In addition to our regular interactions, we actively involve stakeholders in our materiality assessments through online surveys and one-on-one interviews. We may also connect with suppliers through professional organizations, trade shows, and conferences where we have opportunities to share best practices and discuss sustainability innovations.

SPECIFIC REQUIREMENTS:

Depending on the type of product and supplier, we may request certain certificates, product information, or perform specific checks. The following are some of the key areas we focus on:

- **Conflict Regions / Conflict Minerals:** Suppliers must provide certificates of origin to ensure compliance with regulations.
- **Product Certificates:** We may require various product declarations, such as content of SVHC (Substances of Very High Concern), food allergens, halal certifications, etc., depending on the nature of the product.
- **Product Stewardship:** Suppliers are expected to provide necessary information to ensure responsible management of the product throughout its lifecycle.



OUR QUALITATIVE OBJECTIVES:

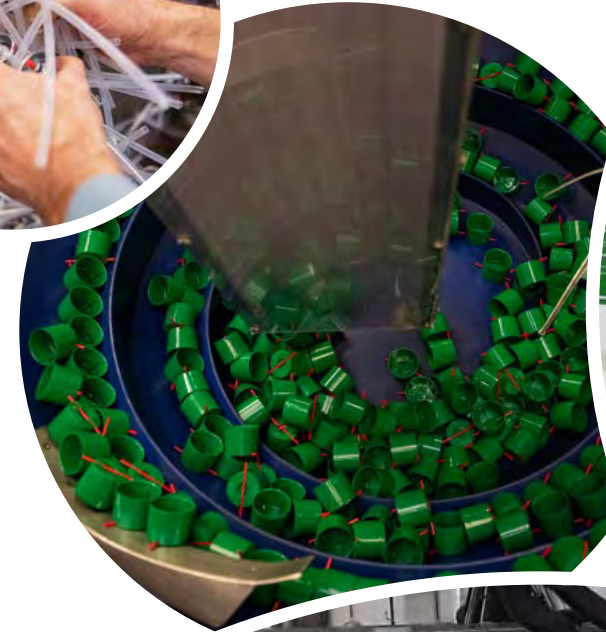
- Raise supplier awareness about the company's Supplier Code of Conduct
- Promote transparency around human rights and responsible business practices in our supply chain

OUR QUANTITATIVE TARGETS:

- We are committed to assess the strategic suppliers that account for the top 50% of our spend in each region on their sustainability efforts by the end of 2025.

View our [Supplier Code of Conduct](#) here.

CRC is sharing and collaborating with our supply chain through our participation on EcoVadis and Integrity Next



2024 AND BEYOND

- **Green Force Product Line**

CRC EMEIA is launching the Green Force line of environmentally preferred products. These are powerful solutions designed for professionals and formulated for the environment. Products include Brakleen H2O: a water-based brake parts cleaner, HydroPower: a water-based general purpose degreaser, 5-56 BIO: a bio-based lubricant, and ECO Supercut: a biodegradable cutting oil.



- **CSRD**

CRC is actively preparing for the EU's Corporate Sustainability Reporting Directive (CSRD). During 2024 our EU team will conduct a double materiality assessment followed by a gap analysis. Data gathering will continue into 2025 and with the expectation that all steps will be completed well ahead of the 2026 initial reporting deadline.



- **Sustainable Packaging**

Regulations in various jurisdictions are focusing on sustainable improvements in packaging that encourage more recycled content, re-usability, recyclability, and extended producer responsibility. Over the next 3 years, CRC will be evaluating our current packaging and working with our vendors to innovate on the design and construction of our packaging with the goal to increase recycled content and minimize packaging weight while maintaining the safety and quality expected by our customers. Our AU and NZ sites are working to eliminate shrink wrap use by the end of 2025.

CRC US has committed to continue our sponsorship of the Aerosol Recycling Initiative into 2025. Future activities of the Initiative include recycling educational campaigns for consumers, working with regulators on EPR programs and collaborating with recycling facilities to encourage the acceptance of all empty aerosol containers.





TOGETHER, WE GET IT DONE.™

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