

## 2024 Environmental, Social, Governance (ESG) Report



### Letter from Owen Maher

Throughout our 25-year history, The Materials Group (TMG) has been protecting the environment through landfill avoidance. As a family-led company, TMG offers a consultative approach with customers to utilize internal scrap and provide mass reductions leading to lower vehicle emissions. We offer solutions using both recycled resin and sustainable filler technologies.

At TMG, we believe it's not just about the sustainable products we make but also about making business decisions that are good for the environment. Our annual ESG report provides a comprehensive overview of our progress, including key metrics related to our environmental impact. For example, our scope 1 and 2 Greenhouse Gas Emissions were reduced by 21.4% since 2022 through the purchase of a new furnace and upgrading compressors on all air conditioning units. We also focus on sourcing locally purchased goods and capital equipment to reduce Scope 3 emissions. Many feed streams for our resins are from the Midwest and most of our extrusion equipment is from a Michigan vendor.

Community impact is a priority for TMG. We encourage employees to participate in activities that benefit our community. We regularly support the Society of Plastics Engineers (SPE) by mentoring students and covering STEM project costs, North Kent Connect (Kent County Poverty Resource) by fundraising and providing donations, and the Rockford Rotary Club (Rockford Community + Youth Programs) by fundraising.












In the past year, we have made significant progress in embedding our Environmental, Social, and Governance (ESG) principles into every aspect of our business. As a company deeply connected to recycling, we recognize our unique responsibility to protect the natural resources that our customers value and that sustain our business.

Thank you for your continued support!









Sincerely,

Owen Maher, President

## Environmental, Social, and Governance Goals & KPIs Summary- 2024

Sustainability Issue	GRI Standard	GRI Disclosure	Goals and KPIs	Status	Comments	UNSDGs	
Environmental							
Climate Action & Decarbonization	GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions, 305-2 Energy indirect (Scope 2) GHG emissions, 305-5 Reduction of GHG emissions	Reduce Scope 1 and Scope 2 emissions 35% by 2028, and 51% by 2032 from the base year of 2022	21.4% reduction achieved	Reducing energy consumption through efficiency projects		
Clean Energy	GRI 103: Energy 2025	103-3 Upstream and downstream energy consumption	Increase use of renewable energy to 35% of total energy consumption by 2028	0% achieved	Began purchasing renewable energy 4Q25		
Labor & Human Rights							
Ethical Labor Practices	GRI 404: Training and Education	404-1 Average hours of training per year per employee	Complete annual Labor & Human Rights training of 100% of employees by 2026	0% achieved	Developed training program 4Q25		
Health & Safety	GRI 403: Occupational Health and Safety	403-9 Work-related injuries	Achieve 0% Lost Time Injury Frequency Rate by 2026	136.04	2 LIT with 14,702 hours worked		
Gender Equality	GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Maintain a percentage of women in leadership positions that matches or exceeds the percentage of all women employed	Achieved 66% women in management	18.6% women employed		
Labor & Human Rights	GRI 403: Occupational Health and Safety	403-1 Occupational health and safety management system	Achieve industry-recognized Health & Safety certifications by 2032 (i.e., ISO 45001)	N/A	Ongoing		

## Environmental, Social, and Governance Goals & KPIs Summary- 2024

Governance, Ethics & Business Integrity						
Ethical Conduct & Compliance	GRI 205: Anti-corruption	205-2 Communication and training about anti-corruption policies and procedures	Complete annual Ethics training of 100% of employees by 2026	0%	Ongoing	
Whistleblower Protection	GRI 205: Anti-corruption	205-3: Confirmed incidents of corruption and actions taken	Establish and maintain an anonymous reporting Human Resources hotline with 0 unresolved cases beyond 30 days by 2028	N/A	Completed in 4Q25	
Governance & Management	GRI 205: Anti-corruption	205-3: Confirmed incidents of corruption and actions taken	Achieve third-party Ethics certification or recognition by 2032 (i.e., ISO 37001/37301)	N/A	Ongoing	 
Sustainable Procurement						
Supply Chain Integration & Vetting	GRI 308: Supplier Environmental Assessment and GRI 414: Supplier Social Assessment	308-1 New suppliers that were screened using environmental criteria and 414-1 New suppliers that were screened using social criteria	Add sustainability criteria to 100% of new supplier evaluations by 2026	0%	Ongoing	 
Supply Chain Data Collection	GRI 308: Supplier Environmental Assessment and GRI 414: Supplier Social Assessment	308-1 New suppliers that were screened using environmental criteria and 414-1 New suppliers that were screened using social criteria	Achieve 80% of suppliers to submit ESG self-assessment form by 2028	0%	50% in 2025	 
Responsible Sourcing & Traceability	GRI 308: Supplier Environmental Assessment and GRI 414: Supplier Social Assessment	308-1 New suppliers that were screened using environmental criteria and 414-1 New suppliers that were screened using social criteria	Source 50% of raw materials from suppliers with verified ESG programs	0%	Ongoing	