

2022 Sustainability Report



***Celebrating over 120 years of manufacturing a
sustainable future for this world.***

Mission Statement & CEO Message

We provide a proud, caring, and safe environment that allows our team to thrive in delivering value to our customers. We encourage creative thinking and problem solving of everyone. We grow our company through open communication, strong leadership, and continuous improvement that benefits our customers, employees, their families, and our communities.

We continue our long-standing commitment to sustainability by designating a full-time team supporting Environmental, Health & Safety (EHS) to administrate our corporate social responsibility as presented with our beliefs, with our people, planet, products, and our environment.

We made considerable progress in 2022 through our partnership with state and federal agencies to enable the best possible results for the protection of our employees, our customers, and the environment.



James R. Callan, CEO



People

STC's employees are the most critical element to our continued success. Therefore, we focus on providing a supportive & empowering culture for our team members with a collaborative approach to our growth. This focus includes promoting diversity & inclusion, creating prosperity, and respecting human rights.

STC Ceramics Team



STC Hermetics Team



Together **WE'RE LEADING THE WAY** *for a SUSTAINABLE FUTURE!*

Mental & Emotional Health

We genuinely care about our employees' health and well-being. The STC Employee Assistance Program (EAP) through Unum (Health Advocate) is a company funded, confidential consulting service for employees and their family members. The EAP team connects beneficiaries to advisors who assist in resolving personal and work-related concerns.

STC partners with United Way Working Bridges, an on-site program to support employees with community resources. By sharing resources, employers are minimizing the barrier to employment and supporting employees' need to be successful and improve their lives. United Way Working Bridges supported our employees with 217 referrals in 2022. These resources referrals included:

Where did employees/students need our help?

65% of our services were referrals to 217 different community and governmental organizations. 35% were direct services delivered by Resource Coordinators (e.g., application assistance, financial coaching, or educating about multiple options).

The top 5 utilized outside agencies were :

| Service | Referrals |
|---------------------------------|-----------|
| Community Action Agencies | 135 |
| Employee Assistance Programs | 116 |
| Vermont State Housing Authority | 107 |
| Champlain Housing Trust | 106 |
| Department of Economic Services | 89 |



The top 5 utilized services/programs delivered by outside agencies were:

| Service | Referrals |
|--------------------------------|-----------|
| Mental Health Referral | 152 |
| VERAP | 96 |
| Legal Services | 93 |
| Low Income Housing | 92 |
| Free Meals (via Everyone Eats) | 62 |

*Working Bridges 2022 Program & Data Summary

Community Support

STC works with local high schools and technical colleges as part of its internship programs to provide work experience to train the next generation of technical professionals. STC also supports our community externally through ongoing fundraising support for various organizations.



In 2022 STC proudly partnered with the following local organizations with ongoing community service support initiatives:



Employee Health and Safety

STC is committed to providing an industry-leading, safe, and healthy culture. We launched several initiatives focused on developing our proactive safety program with an emphasis on employee ownership. These initiatives included daily cross-departmental safety audits and online compliance training focusing on safety and ethical responsibility. We have reduced our near-miss (an unplanned event that has the potential to cause harm but doesn't) reporting by 17% and increased our quick catch (a **potential** hazard is recognized, and immediate actions are put in place to correct) reporting by 152.3% from 2021. STC continues to improve our workers' compensation factor, which remains well below the industry average.

Environmental

STC believes that it is our moral obligation to understand our impact on the environment and work towards preventable solutions that minimize the harm to our shared planet. We are committed to protecting the environment, the health and safety of our employees, and the community in which we conduct our business. We seek continual improvement throughout our business operations to lessen our impact on the local and global environment.

Our facilities are equipped with air filtration systems. These filtration systems remove material residue and return clean air to our facilities. This process eliminates the contaminated air used in our grinding process from being introduced into the environment. In 2022 STC focused on maintaining the highest level of air quality with frequent testing to ensure limits are well below OSHA standards. We also installed a new ventilation system to eliminate any exposure and odor on the production shop floor.



Environmental Compliance

STC works collaboratively with regulatory agencies to maintain our superior environmental compliance record with federal and state agencies. As a result, STC saw another year of reductions in hazardous waste and air emissions with a 7% reduction from 2021.

Environmental Protection

STC has significantly improved our closed loop coolant treatment system which has enhanced effectiveness and reliability. The used coolant is treated using a star filtration system to remove particulate matter, then it recycles the cleaned coolant back into our manufacturing process. This process saved approximately 41,000 gallons of used coolant from being sent to a disposal facility.

Products

STC provides superior products that are unique, diverse, and mindful of environmental impacts. We partner with hundreds of other companies in providing advanced material solutions that improve the environment. A recent example is highly engineered products designed into fuel cells which can create electricity using natural gas or hydrogen. The process is reversible, so hydrogen can be created using electricity, and the gas can be stored then converted back to electricity, eliminating the need for batteries.

