ALTRONIC
ESG REPORT
2023

712 Trumbull Ave.
Girard, Ohio 44420

MESSAGE FROM THE PRESIDENT

DAVID T. LEPLEY

On behalf of all the hard-working employees of Altronic, I am pleased to present our ESG report. The information contained is intended to inform our stakeholder and customers of our commitment as good corporate citizens, as stewards of the global environment that we all share, to the health and safety of our employees, and to the highest standards of corporate governance.

Altronic's commitment to these basic values has served us well over the decades that we have been a manufacturer and supplier of high-quality products for our global distribution and customer base. In addition to designing products that serve to control and reduce the stack emissions from industrial spark-ignited gas and diesel engines, we make ongoing investments in our production facility and manufacturing processes to reduce environmental waste, reduce resource consumption, and improve the working environment for our employees.

WHO WE ARE

Our company did not begin life as Altronic. It was founded in the mid-1950s as a small R&D organization. With the purchase of the rights to unique engine technology, it became the Economy Engine Company. As work progressed, the engineers came to realize that the continuous spark requirements of the engine design required an alternator that could withstand the severe duty cycle of the application. With no such alternators available at the time, work began on our own design. This work eventually caught the attention of the Ajax Engine Company of Cory, Pennsylvania. Their need for a more reliable ignition system lead to an interest in the development of ignition technology using the lessons learned in alternator research and development. Using a combination of the words ALTERNATOR and ELECTRONIC, the name was changed to Altronic, Inc., a Division of the Economy Engine Company. As the success of the ignition system development grew, the name was changed in 1984 to simply Altronic, Inc.

In the 1960s, as the solid-state transistor became economically practical, Altronic introduced ignition technology that used solidstate electronics to replace high maintenance breaker point magnetos. With this innovation, the Altronic line of modular solid-state engine driven ignition systems took the industry by storm and served as the foundation on which the company's success was launched. In addition to ignition development, Altronic innovated a line of instruments for the industrial engine market that represented a paradigm shift in the quality of engine monitoring, protection, and shutdown.

In the 1980s, Altronic developed solidstate electronic ignition lines with no moving parts, and in the 1990s, developed innovative designs that allowed the use of microprocessors to be used in the high electronic noise environment of ignition systems. Other design initiatives included advanced feature matrices and powerful diagnostics. Altronic continued to push the envelope with innovations to accommodate lean burn, high boost engine technology, and advances in spark characteristic control.

In 2009, Altronic, Inc. was acquired by the HOERBIGER Group, headquartered in Vienna, Austria, and Zug, Switzerland, and the name was changed to Altronic, LLC.

Today, the name of Altronic maintains a very strong brand recognition worldwide, and it continues to be a leader in the design, manufacture, and sale of industrial ignition system, instruments, and engine controls.

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WHO WE ARE

As the world moves towards the development of renewable energy, and works to reduce its dependence on hydrocarbon based fuel, we are confident that clean burning natural gas engines will remain an important part in basic reliable and cheap power generation, will serve as the required backbone of renewable power generation backup, and will serve an important role in the ever growing world demand for power and energy. One of the key foundational building blocks to a cleaner global environment is the global spread of prosperity. Increasing prosperity leads to an ever-increasing demand for energy, and also the ability to ensure that this increasing need can be filled by cleaner energy sources.

CORPORATE GOVERNANCE

When Altronic was acquired in 2009 by the HOERBIGER Group, the value of the Altronic name as a powerful brand recognition asset in our industry was recognized, and Altronic, LLC remains a legal entity within the HOERBIGER Group family. With the design and production of products that are unique within HOERBIGER, Altronic is very much a vertical silo, with a President located directly at the facility, along with senior management staff. The President of Altronic reports to the head of the Engine Division, who in turn reports to the HOERBIGER Board of Directors and Corporate CEO.

Altronic, LLC is a part of the HOERBIGER Engine Division. This includes a staff located in Vienna, Austria, that specializes in the design, manufacture and sale of fuel valve products targeted at internal combustion engines.

HOERBIGER sets broad policy and provides management services for its business units. The Engine Division sets policy specific to the unit operation as a whole. Altronic management sets specific policy for the legal entity and its operating facility. The Altronic management team meets on a regular basis (typically weekly) to address issues in each of the functional areas of the business. These are discussed by the team, with solutions proposed, agreed upon, and implemented by the team.

Altronic provides a copy of the HOERBIGER employee manual to each of its employees upon release and revision. Each employee must sign to acknowledge receipt of this manual. The document provides employees with a clear written record of general employment policies and rules, and clearly communicated policies related but not limited to subjects such as workplace violence, health safety and environment, discrimination, workplace harassment, alcohol, drugs and other contrabands, and the HOERBIGER Code of Conduct.

ORGANIZATION CHART

Board of Directors
Dr. Martin Komischke (President) · Dr. Andreas Hünerwadel (Vice President) · Egbert Appel · Albin Hahn · Dr. Rudolf Huber

Executive Board
Dr. Thorsten Kahlert (Chairman) · Olaf Werwitzke · Thomas Englmann · Wolfgang Sautter

- **Strategic Business Unit Compression Technology** — Wolfgang Sautter
  - Market Segment Compressor OEM / Service
- **Strategic Business Unit Drive Technology** — Thomas Englmann
- **Strategic Business Unit Rotary Solutions & Safety** — Dr. Thorsten Kahlert
  - Division Rotary Solutions
  - Division Safety
- **Dr. Thorsten Kahlert**
  - Division Engine — Bernhard Zeeman
    - APAC
    - Altronic LLC — David Lepley, President
    - Europe
      - Finance & Controlling — David Hutch
      - Purchasing — Katie Fleming
      - Engineering — Matthew Traina
      - Global OEM Sales — Keith Brooks
      - After Market Sales & Marketing — David Bell
      - Operations — David Bulkley
      - People & Culture — Debra Neiferd
- **Thomas Englmann**
  - Division Automotive Hydraulics
- **Corporate Finance I Controlling** — Olaf Werwitzke
- **People & Culture** — Aladin Huwyler


David Lepley


David Hutch


Katie Flemming


Matt Traina


Keith Brooks


David Bell


David Bulkley


Debra Neiferd

PEOPLE & CULTURE

HOERBIGER is a leading trendsetter in niche technology markets, fostering an environment where innovative ideas can thrive. At HOERBIGER, employees are known for their entrepreneurial mindset, creativity, and can-do attitude. Altronic, in particular, values its relationship with its employees and is committed to building trust through HOERBIGER's Behavioral Pillars. These pillars serve as a unifying force across all divisions, regions, and functions globally, and are integral to HOERBIGER's expectations. By fostering trust, the Behavioral Pillars promote the Sequence of Success, with Value Based Leadership driving increased employee engagement, customer satisfaction, and individual and company growth.

At Altronic, we prioritize a culture of integrity and transparency in all aspects of our business. We recognize that any illegal or unethical behavior can harm not only our company but also our stakeholders. As such, we take compliance seriously and encourage our employees to report suspected compliance violations through the HOERBIGER Integrity Line, which allows for anonymous reporting. We strictly prohibit retaliation against any person who reports a suspected violation in good faith or assists in a compliance investigation. All members of management within HOERBIGER must adhere to the company's Code of Conduct.

Integrity means...

- Behaving in an authentic and transparent manner
- Communicating in an honest and open way
- Acting with loyalty and decency

Respect for the individual means...

- Being courteous, open, and fair
- Appreciating different opinions
- An environment free of discrimination and harassment
- An understanding that people are different and that this is an enrichment of our lives

Team Spirit means...

- Giving and taking open, respectful feedback
- Addressing negative trends at an early point in time
- Colleagues who are affected need to be involved

Ownership means...

- Taking full responsibility for a task or project
- Involving all relevant parties in the process
- Mitigating risks and developing contingency plans
- Getting things done – solving problems

PEOPLE & CULTURE

OUR PRINCIPLES

- We manage our company by striving for highest standards of Business Excellence: because performance counts.
- We conduct our business with respect for human dignity, in recognition of human rights, and in accordance with applicable laws.
- We are committed to economically and environmentally sustainable business practices.
- We provide safe working conditions.
- We continuously develop the abilities of our employees, and evaluate performance objectively.
- We show mutual respect as we collaborate across cultures.
- We recognize the freedom of association of our workforce.
- We conduct all our business with integrity and transparency.
- We oppose corruption.
- We deliver superior products and services to our customers.
- We support free and fair competition, and we comply with relevant competition laws.
- We take due care in the selection of our business partners.
- We comply with export controls and anti-money laundering regulations.
- We treat our suppliers fairly.
- We expect our suppliers to strive towards the same high standards for business conduct and product quality that we have set for ourselves.
- We protect proprietary business information, private data, and intellectual property rights.
- Proprietary company information and data may be released to third parties only with prior authorization.
- We keep accurate records, and guarantee complete reporting of financial and operating information to management, shareholders, and third parties.
- We act with integrity and honesty at all times.
- We will declare potential conflicts of interest.
- We will protect the company's assets, and will not use our position at HOERBIGER for personal gain.
- We take pride in HOERBIGER.
- We protect the good reputation of our company as well as the image and the value of the HOERBIGER brand.

WE LISTEN AND WE ACT

- We accept the challenges of ethical conduct.
- In critical situations we will support each other to keep our commitments to move HOERBIGER forward.
- We will speak up if things must be corrected or improved!
- Concerns are raised with local management. Should this not be possible, or no satisfactory response is received, every HOERBIGER employee may escalate a concern in the management structure – up to a member of the Executive Board, to a Compliance Coordinator, or to Corporate Audit.

Average Tenure at Altronic: 14 years of service
Gender: 45% female
Gender in Management: 30% female
Voluntary Turnover: 7%
Diversity – Race: 12%

SAFETY, HEALTH & ENVIRONMENT (SHE)

Altronic's unwavering commitment is to safeguard the environment, by preventing pollution and complying with obligations, while continually improving operations to minimize our impact on the natural world. We take great pride in our certification to the ISO 14001:2015 standard, which serves to enhance environmental performance by efficiently using resources, reducing waste, and benefiting our community, customers, and employees.

Safety Incidents		
YR.	No Time Lost	Time Lost
2019	5	0
2020	1	0
2021	9	0
2022	6	2

Recycled Hazardous Waste				
	2019	2020	2021	2022
Lead	1027 lbs.	798 lbs.	250 lbs.	350 lbs.
Liquid Chemical Waste	512 gal.	225 gal.	275 gal.	505 gal.

As an organization, we are committed to achieving long term and successful customer relationships by surpassing expectations through the delivery of high-quality, safe, and environmentally healthy products, services, and operations. We will comply with all applicable legal, regulatory, industry, and corporate requirements and continuously improve our practices.

We believe that leadership and accountability throughout the organization are essential to achieving our goals, and we are dedicated to open communication with all stakeholders to minimize risks and leverage opportunities.

To ensure the fulfillment of this policy, we will provide the necessary resources and training to all employees. We recognize that this commitment requires ongoing effort and dedication, and we are committed to continuously improving our practices to deliver the best possible experience for our customers.

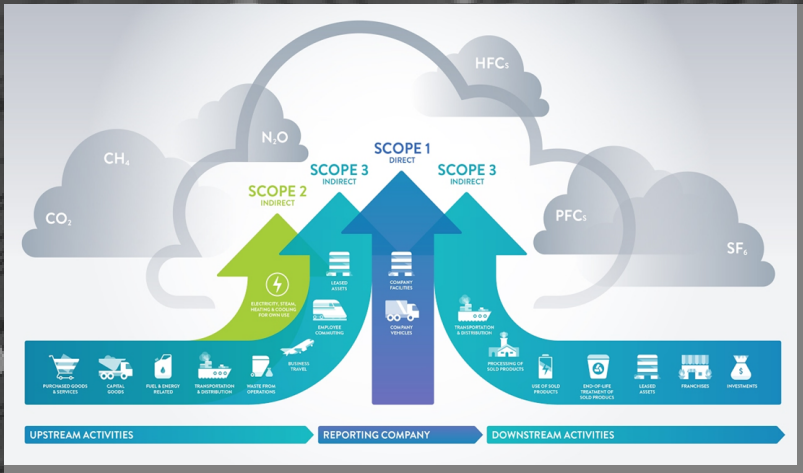
OUR CARBON FOOTPRINT

A carbon footprint refers to the total amount of greenhouse gases (GHG) that are emitted into the atmosphere as a result of human activities. The carbon footprint can be divided into several scopes, each of which represents a different level of control over the emissions. The three main scopes of a carbon footprint are as follows:

Scope 1 emissions: These are direct emissions from sources that are owned or controlled by the organization, such as emissions from combustion in boilers or vehicles owned by the organization.

Scope 2 emissions: These are indirect emissions from the generation of purchased electricity, heating, and cooling. These emissions are associated with the consumption of energy purchased by the organization, but generated elsewhere.

Scope 3 emissions: These are all other indirect emissions that occur in the organization's value chain, including emissions from the production of goods and services that the organization uses, as well as employee commuting, business travel, and waste disposal.



13,490 CO2e

SCOPE	Total t CO2e
Scope 1 Direct emissions	141
Scope 2 (market based)	875
Scope 2 (location based)	887
Scope 3.1 Purchased goods	10,219
Scope 3.2 Capital goods	19
Scope 3.3 Energy related	228
Scope 3.4 Upstream transport	1,051
Scope 3.5 Waste	7
Scope 3.6 Business travel	388
Scope 3.7 Employee commute	423
Scope 3.9 Downstream transport	24
Scope 3.12 End-of-Life	114
Total (market based)	13,490

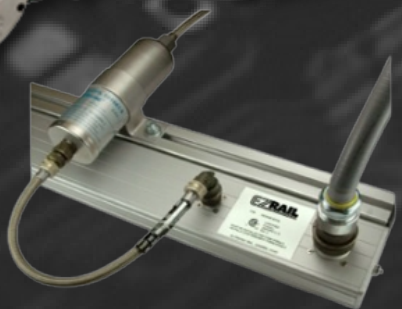
CO2e stands for "carbon dioxide equivalent." It is a unit of measurement used to express the total impact of all greenhouse gas emissions in terms of the equivalent amount of carbon dioxide (CO2) that would have the same global warming potential over a specified time period.

Greenhouse gases such as methane (CH4) and nitrous oxide (N2O) have a higher global warming potential than CO2, meaning that they are more effective at trapping heat in the Earth's atmosphere. Expressing emissions in terms of CO2e allows for an apples-to-apples comparison of the total climate impact of different greenhouse gases.

For example, if a company emits 10 tons of CO2, 5 tons of CH4, and 2 tons of N2O, the total greenhouse gas emissions would be expressed as 29 tons of CO2e, based on the global warming potential of each gas relative to CO2.

OUR PRODUCT IMPACT

Altronic's extensive range of industrial engine products includes multiple product lines aimed at facilitating the control of emissions from stationary industrial internal combustion engines worldwide. These systems have been designed to support and enable the environment. Below is a brief overview of these systems and their environmental benefits. For more detailed information on these and other products, please visit www.altronic-llc.com.

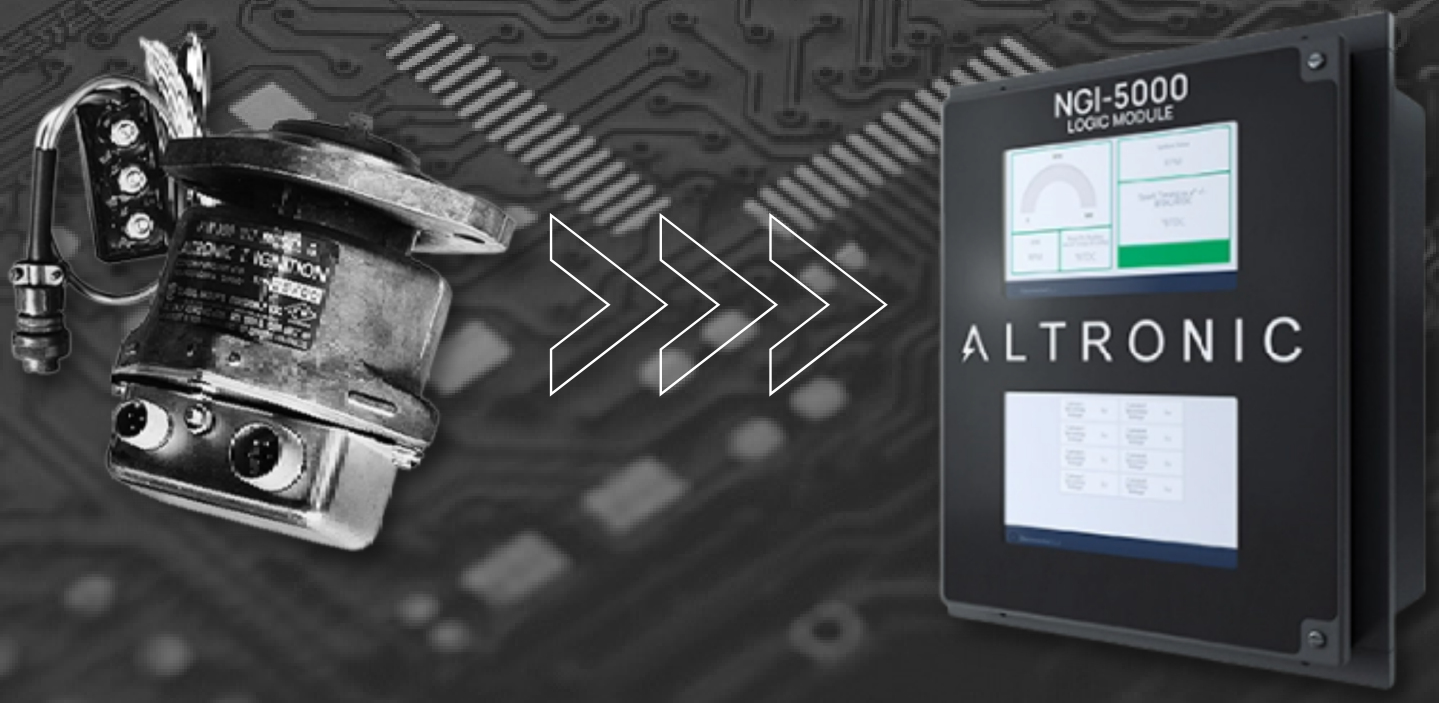


ELECTRONIC IGNITION SYSTEMS

Altronic's electronic ignition systems play a critical role in creating a sustainable environment. By working in harmony with the engine's combustion chamber design, the ignition system generates high voltage on the spark plug's anode side, creating a spark when the voltage differential is sufficient to create a conductive path of ions. The spark ignites the air/fuel mixture, resulting in a successful power cycle for that cylinder of the engine.

The ignition system's design and application contribute to the successful power cycle by ensuring proper spark plug, fuel mixture quality, and combustion chamber design. While the ignition system is not in control of stack emissions, it is an enabler of the engine and fuel control's ability to minimize emissions. A successful ignition cycle does not guarantee proper emissions, but a failure to ignite the fuel charge results in unburnt hydrocarbons going up the stack, which is not sustainable.

With decades of design and application experience, Altronic offers a range of basic and advanced ignition technology designed for use on modern internal combustion engines. These ignition systems meet stringent state and federal regulations, ensuring that emissions levels are sustainable and compliant.



AIR FUEL RATIO & ENGINE CONTROL

Effective control of air and fuel is essential, whether the engine and fuel control are engineered for stoichiometric (air and fuel ratios matched for complete combustion) or lean burn (excess oxygen achieved through high turbo boost and increased compression ratio). Failure to maintain this control during both design and transient conditions can result in increased emissions and combustion instability. Several systems operate as independent air/fuel control systems or operate in conjunction with the engine controller.

Modern stationary internal combustion engines heavily rely on advanced electronic engine controls as they serve as the "brains" of the engine. These systems offer various functions such as start/stop, speed control, air/fuel ratio control, ignition control, and safety shutdown protection. They also include advanced diagnostic capabilities, data logging, telematics, and communication features.

In addition to ensuring reliable engine operation, these controls also play a crucial role in ensuring that the engine can meet and maintain its emissions certification. With their monitoring capabilities, they can detect and address issues that may affect the engine's performance and emissions.

Overall, advanced electronic engine controls have become a crucial component in modern stationary internal combustion engines. Their ability to offer precise control, monitoring, and diagnostic capabilities ensures that engines operate reliably and efficiently while meeting emissions requirements.

GTI BI-FUEL

The Altronic GTI Bi-Fuel product line enables stationary diesel engines to incorporate natural gas by fumigation, replacing a portion of the diesel fuel and resulting in a cleaner burn. This technology provides cost savings and extends the run time of diesel fuel tanks.

In 2014, the GTI Bi-Fuel system achieved certification with the California Air Resources Board, making it the first of its kind to receive such recognition. This executive order allows the diesel engine to maintain its emissions rating while operating on dual fuel, preserving its associated benefits.

Although the GTI Bi-Fuel system is not marketed or certified as an emissions reduction technology, its combined oxidation catalyst after treatment can potentially reduce oxides of nitrogen, particulates, and reactive non-methane hydrocarbons.

BUILT FOR TOMORROW

We are proud to contribute to a more sustainable and green future through our production of ignition and control systems for natural gas engines. By providing these systems, we are supporting the use of a cleaner-burning fuel that emits fewer greenhouse gases and pollutants than traditional gasoline or diesel.

Moreover, our ignition and control systems are specifically designed to enhance the efficiency and performance of natural gas engines, resulting in reduced fuel consumption, lower emissions, and improved fuel economy. This not only benefits the environment but also helps our customers save money on fuel costs.

We recognize that internal combustion engines are likely to remain a significant part of our transportation and energy infrastructure for the foreseeable future. As such, we are committed to promoting the use of natural gas engines as a viable and sustainable alternative to traditional fuels.

Overall, our focus on natural gas engines and the development of ignition and control systems for these engines demonstrates our commitment to sustainability and our dedication to meeting the demands of modern society in an environmentally responsible way.

We are committed to continuously developing and working towards more sustainability. We recognize that sustainability is an ongoing journey, and we are dedicated to doing our part in creating a more sustainable future.

Moving forward, we promise to continue investing in research and development to improve the efficiency and performance of our products, minimize waste and emissions in our operations, and promote sustainable practices throughout our supply chain.

We believe that by working together with our stakeholders, we can make a meaningful impact on the environment and contribute to a more sustainable and green future for generations to come.