



**Corporate Responsibility  
and Sustainability Report  
2024**

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# Letter from the President

I am proud to report on the global accomplishments of our team and the continued support of our Corporate Responsibility and Sustainability initiatives. We recognize the critical role we play in creating a sustainable future and remain focused on our commitment to our people and communities. Corporate Responsibility and Sustainability principles are deeply rooted in our company's core values and our long-term strategy for success.

We understand the importance of going beyond efficient manufacturing to minimize our environmental footprint. We are proud to have taken significant steps this year.

- *Increasing energy efficiency*
- *Promoting sustainable practices including zero waste initiatives and certification*
- *Using post-consumer recycled and post-industrial recycled materials*
- *Achieving and increasing our goals for waste diversion*
- *Continuing our efforts toward the reduction of Scope 1 and 2 environmental emissions*
- *Collaborating with our customers, vendors and energy resources to assure we exceed our goals*

Our foundation includes fostering, cultivating, and preserving a culture based on shared core values. These values encourage creativity, collaboration, and innovation in our workplace while strengthening our global communities.

We continue our commitment to protecting human rights throughout our supply chain and supporting our communities with volunteer outreach. We are deepening our engagement with local communities by supporting mental health care initiatives, planting trees in urban environments and providing much needed resources to aid disaster recovery in communities during their most difficult times.

Our people are the heart of our company. We are dedicated to fostering a diverse and inclusive workplace where everyone feels valued and respected. This year, we launched educational programs aimed at improving employee well-being and promoting professional development.

Strong governance is the backbone of our operations. We continue to improve our rigorous standards to ensure transparency, accountability, and ethical conduct in all aspects of our business. Our Board of Directors also plays a crucial role in overseeing our Corporate Responsibility and Sustainability initiatives as we strive to uphold the highest standards.

As we look to the future, we remain committed to our Environmental, Social, Governance goals and creating lasting value along the way. We believe sustainable growth is not only achievable, but essential for the continued success of our company and the well-being of our planet. We understand transparency in reporting is critical to build trust with our consumers. Accordingly, we highlight our climate survey scores and the progress we are making, but also where we have room for improvement. Honest assessments of our progress will help us continue to improve each year.

Thank you for your continued support and trust in HMS Mfg. Co.. Together, we can build a more sustainable and equitable world.

**Janet Sofy**

**President  
HMS Mfg. Co.**



# Commitment to Sustainability

At HMS Mfg. Co., we are committed to pioneering sustainable practices in the injection molding industry. Our goal is to consistently deliver top-quality products while actively reducing emissions and contributing to our community. We understand the critical role of sustainability in keeping our world clean and we are dedicated to doing our part.



## Scrap Reduction

HMS Mfg. Co. is dedicated to minimizing waste generation in our production processes. We have implemented effective waste reduction strategies to lessen our impact on landfills and reduce energy consumption associated with defective parts. This commitment is evident as our scrap rates have decreased for the third consecutive year. Notably, we achieved a 60% reduction in scrap material from the 2023 to 2024, significantly reducing the waste leaving our facility.

## Innovation

We at HMS Mfg. Co. understand the importance of staying at the forefront of technological advancements and innovations in the raw material sector.

Over the past year, we have continued to validate new sources of Post Consumer Recycled (PCR) materials for our product range. In 2025, we will be integrating more PCR materials into our products, while partnering with our retail customers who share our commitment to innovation.

# Sustainability Governance

Board of Directors



President



Vice President of Operations



Sustainability Committee



Engineering

Quality

Human Resources

Facilities

Warehouse

Packaging

Marketing

Product Development

At HMS Mfg. Co., we recognize employee engagement is essential to achieving our sustainability goals. To support this, we have established a multidisciplinary committee that includes members from all sectors within the company.

This committee drives our sustainability projects and generates innovative ideas to reduce our environmental impact.

The committee meets biweekly to review project progress and propose new initiatives. Members also stay up to date on any regulatory developments to ensure company compliance.

Sustainability at HMS Mfg. Co. is a collective effort. We encourage all employees, regardless of their previous involvement with the sustainability committee, to suggest improvements that could enhance our environmental impact.

Our senior leadership is committed to sustainability, actively supporting the team's ideas and participating in training to deepen their understanding of its importance.



# HMS Mfg. Co. Sustainability Goals

Throughout 2023 and 2024 we have continued to investigate and pursue opportunities for sustainable development. In addition to the projects we've completed to support our larger corporate goals, we're also working on new initiatives to support internal growth and development.

## Corporate Sustainability Newsletter

The sustainability committee publishes a company-wide quarterly bulletin to share progress toward major milestones and provide general sustainability education. We survey our employees annually to collect ideas for new projects and areas where we can improve our efficiency.

## Corporate Risk Analysis Training

In 2023, our sustainability team began working on more formalized risk planning, including third-party risk analysis training for our sustainability team lead. We identify potential risks and opportunities to invest in sustainable development.

## Increased Outreach

In Michigan we've partnered with the Greening of Detroit to plant trees in Detroit neighborhoods. In April and October we participated in tree planting events in parks and neighborhoods surrounding schools. The tree planting events are a great opportunity for our team to give back to the community in a lasting way.



# Commitment to Diversity, Equity & Inclusion

HMS Mfg. Co. believes embracing diversity is good business and the right thing to do. We strive to have an inclusive work environment where different viewpoints, experiences, and abilities are respected at all levels. This allows us to be more innovative and build better products.

|             |                                                          |                                                                             |                                                                                       |
|-------------|----------------------------------------------------------|-----------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| <p>2023</p> | <p>We had an average of<br/><b>278</b><br/>Employees</p> | <p>By the end of 2023<br/><b>39%</b><br/>of our team consisted of women</p> | <p>People of color made up<br/><b>50%</b><br/>of our team (5% increase from 2022)</p> |
|-------------|----------------------------------------------------------|-----------------------------------------------------------------------------|---------------------------------------------------------------------------------------|





## Commitment to Safety

- In our Ohio warehouses we track days without lost time accidents. In September 2024 we hit 1000 days without a lost time accident. We're proud of our team's commitment to safety.
- We conduct monthly leadership trainings with our safety committee. These monthly "Lunch and Learns" are a great opportunity to share new insights and reinforce the team's safety knowledge.

## Community Outreach

- We are dedicated to supporting our local communities. This year, we actively participated in several volunteer events to benefit communities across Michigan
- Brain and Behavior Research Foundation
  - Mental Health Day/Fundraiser
- Two tree planting events with Greening of Detroit
- Gleaners Community Food Bank on Southeastern Michigan
- Toy donations for the holidays
- Charitable donations

## Employee Development

- HMS Mfg. Co. encourages and provides sector-specific on-the-job training across all locations. These trainings include in-house safety trainings, in-house skill trainings, and skill trainings hosted outside the organization.



# Women's Business Enterprise



HMS Mfg. Co. is certified as a Women's Business Enterprise (WBE) by the Women's Business National Council (WBENC), the nation's largest third-party certifier of businesses owned and operated by women. The WBENC certifies businesses which are at least 51% owned, controlled, operated, and managed by a woman or women.

Certification with the WBENC allows HMS Mfg. Co. to use the WBENC Seal on our website, presentations, business cards, and labeling.

The WBENC provides networking opportunities with leaders across several industries with interest in supporting the growth of Women's Business Enterprises..



# Employee Spotlight

We would like to recognize two employees who have gone above and beyond in their commitment to making HMS Mfg. Co. more sustainable and committed to our communities.



**Angela**

Accounts Payable Specialist

Angela has played a key role in planning and executing food bank initiatives through Gleaners Community Food Bank of Southeastern Michigan. From recruiting volunteers to supervising the entire process to make sure these events go smoothly, Angela has made a big difference in the community by distributing vital resources to people in need and encouraging a giving mindset among the team members.



**Anthony**

Packaging Engineer

Anthony has partnered with The Greening of Detroit to organize tree-planting events in the Spring and Fall of 2024, bringing together volunteers to plant many trees in our local area. These efforts have not only enhanced our community's green spaces but also contributed to cleaner air and a healthier environment for everyone.



# Projects Completed in 2024

## **Our waste diversion rate was certified in our Youngstown warehouses.**

From July 2022 to June 2023, our Youngstown, Ohio warehouses were certified with an 88% diversion rate. From July 2023 to June 2024, our Youngstown, Ohio warehouses diversion rate fell to approximately 75.27%. The cause of this brief drop was a sprinkler system malfunction that resulted in

water-damaged product which could not be recycled. Since the sprinkler system has been fixed, we anticipate that Youngstown, Ohio's waste diversion rate will rise in 2025 and surpass our expectation of an 80% waste diversion rate.

## **We established a waste diversion rate baseline for our domestic facilities.**

We have determined our baseline waste diversion rate after doing extensive waste calculations. With recycling, composting, and reuse, we are currently keeping 86% of our waste out of landfills. This baseline is essential because it gives us a place to start when gauging our progress and establishing reasonable objectives. In the coming year, we aim to sustain this rate. By keeping our WDR above 80% and identifying areas for improvement in our production and warehousing facilities, we will establish a reasonable long-term target.

## **We established a Scope 3 emissions baseline for corporate travel.**

A company's Scope 3 emissions collectively estimate emissions created from indirect operations. For HMS Mfg. Co., this includes distribution and transportation, business travel, and employee commuting. We've collected data to establish a Scope 3 emissions baseline for distribution and transportation, business travel, and employee commuting, has allowed us to establish a Scope 3 emission baseline for our corporate level, which comes to 24310.15 kg CO<sub>2</sub>. This baseline serves as a better way to measure our future choices about CO<sub>2</sub> reduction, such as selecting less carbon-intensive modes of transportation like cars or airplanes. We may see an increase in our Scope 3 emissions baseline as we quantify additional external emission sources. The baseline does not currently contain certain Scope 3 emissions, such as product distribution and logistics within our supply chain. We anticipate an increase in our baseline as our tracking capabilities advance.



# Scope 2 Emissions Data



## Tonnage CO2 by Month from Electricity

|                                  | Jan    | Feb    | Mar    | Apr    | May    | June   | July   | Aug    | Sept   | Oct    | Nov    | Dec    |
|----------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| HMS Headquarters (Design Center) | 5.73   | 6.97   | 6.41   | 5.88   | 5.38   | 5.74   | 5.61   | 5.73   | 3.85   | 5.98   | 5.30   | 6.13   |
| HMS Headquarters (Main Building) | 10.10  | 11.85  | 10.33  | 12.98  | 11.32  | 12.93  | 15.44  | 14.58  | 12.66  | 11.35  | 10.77  | 10.95  |
| Little Rock Manufacturing        | 21.21  | 20.86  | 19.52  | 18.67  | 22.01  | 30.85  | 29.70  | 30.30  | 31.25  | 26.00  | 19.47  | 22.01  |
| Little Rock Warehouse            | 159.72 | 184.68 | 207.14 | 207.14 | 214.63 | 209.64 | 199.65 | 224.61 | 207.14 | 199.65 | 204.64 | 204.64 |
| Main Warehouse                   | 31.16  | 32.98  | 30.52  | 26.84  | 28.85  | 31.08  | 35.54  | 37.49  | 25.36  | 26.74  | 31.47  | 31.61  |
| Aux Warehouse                    | 13.58  | 11.90  | 11.74  | 11.53  | 10.94  | 12.82  | 12.18  | 13.26  | 12.07  | 11.62  | 12.78  | 13.25  |
| Hong Kong Office                 | 0.25   | 0.24   | 0.33   | 0.33   | 0.36   | 0.45   | 0.43   | 0.49   | 0.42   | 0.42   | 0.37   | 0.38   |

## Tonnage CO2 by Month from Gas

|                                  | Jan    | Feb    | Mar   | Apr   | May   | June | July | Aug  | Sept | Oct  | Nov   | Dec   |
|----------------------------------|--------|--------|-------|-------|-------|------|------|------|------|------|-------|-------|
| HMS Headquarters (Design Center) | 1.21   | 0.88   | 0.62  | 0.64  | 0.26  | 0.00 | 0.00 | 0.00 | 0.00 | 0.18 | 0.71  | 1.34  |
| HMS Headquarters (Main Building) | 9.44   | 8.79   | 6.96  | 3.25  | 1.40  | 0.29 | 0.09 | 0.08 | 0.14 | 0.59 | 2.29  | 5.33  |
| Little Rock Manufacturing        | 97.58  | 118.58 | 82.71 | 25.62 | 2.31  | 0.66 | 0.28 | 0.22 | 0.17 | 0.11 | 8.60  | 79.78 |
| Little Rock Warehouse            | 129.77 | 109.01 | 85.73 | 81.38 | 28.28 | 8.04 | 0.09 | 0.00 | 0.00 | 0.84 | 30.48 | 2.29  |
| Main Warehouse                   | 3.58   | 2.31   | 1.61  | 1.93  | 0.50  | 0.37 | 0.19 | 0.11 | 0.12 | 0.21 | 0.35  | 1.18  |
| Aux Warehouse                    | 40.09  | 41.03  | 23.15 | 21.09 | 4.15  | 0.56 | 0.21 | 0.20 | 0.12 | 0.41 | 3.38  | 17.15 |

## Tonnage CO2 by Month from Electricity

|                                  | Jan    | Feb    | Mar    | Apr    | May    | June   | July   | Aug    | Sept   | Oct    | Nov    | Dec    |
|----------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| HMS Headquarters (Design Center) | 7.00   | 8.00   | 7.00   | 7.00   | 6.00   | 6.00   | 6.00   | 6.00   | 4.00   | 6.00   | 6.00   | 7.00   |
| HMS Headquarters (Main Building) | 20.00  | 21.00  | 17.00  | 16.00  | 13.00  | 13.00  | 16.00  | 15.00  | 13.00  | 12.00  | 13.00  | 16.00  |
| Little Rock Manufacturing        | 119.00 | 139.00 | 102.00 | 44.00  | 24.00  | 32.00  | 30.00  | 31.00  | 31.00  | 26.50  | 28.00  | 102.00 |
| Little Rock Warehouse            | 289.00 | 294.00 | 293.00 | 289.00 | 243.00 | 218.00 | 200.00 | 225.00 | 207.00 | 200.00 | 235.00 | 207.00 |
| Main Warehouse                   | 35.00  | 35.00  | 32.00  | 29.00  | 29.00  | 31.00  | 36.00  | 38.00  | 25.00  | 27.00  | 32.00  | 33.00  |
| Aux Warehouse                    | 54.00  | 53.00  | 35.00  | 33.00  | 15.00  | 13.00  | 12.00  | 13.00  | 12.00  | 12.00  | 16.00  | 30.00  |
| Ohio Warehouse                   | 7.00   | 22.00  | 26.00  | 24.00  | 23.00  | 18.00  | 14.00  | 19.00  | 15.00  | 19.00  | 20.00  | 18.00  |
| Hong Kong Office                 | 0.25   | 0.24   | 0.33   | 0.33   | 0.36   | 0.45   | 0.43   | 0.50   | 0.42   | 0.42   | 0.37   | 0.38   |



# Upcoming Projects

## **2025: We plan to have both our Youngstown warehouses and Little Rock factory Zero-Waste Certified.**

Our Youngstown warehouse achieved Zero Waste Program Certification in 2024, showcasing our commitment to sustainability. By implementing waste reduction, reuse, and recycling strategies, we have significantly reduced our environmental impact. We aim to certify our Little Rock warehouse by 2025.

To achieve this, we are working on:

- A waste and recycling tracker with data from service providers' invoices.
- A Waste Management Manual draft based on our Youngstown manual.
- Waste flow maps showing different waste and recycling workflows through the building.

After completing this year's introductory leaflet for Little Rock employees and purchased recycling containers for aluminum cans and plastic bottles, with official HMS Mfg. Co. recycling placards.

Additionally, we created Ohio Zero Waste Audit, we will use the insights gained to finalize the documentation for our Little Rock facility and prepare to launch the program there.

## **2027: We plan for 3% of our raw production materials to be sourced using post-consumer or post-industrial recycled polypropylene.**

## **2027 We plan for 80% of all waste produced by HMS Mfg. Co. to be diverted from landfills.**

This objective is a component of our larger dedication to environmental care and sustainability. Initially, our goal was to reach 50% waste diversion by 2027, but we have assessed our progress and increased our goal to 80%.

We are achieving our target by putting in place a thorough waste management plan which consists of:



## **Improved Recycling Programs**

Growing our recycling programs to make sure that more recyclables are handled and sorted correctly.

## **Reduction Initiatives**

Locating and removing of waste in our manufacturing processes.

## **Innovative Reuse Practices**

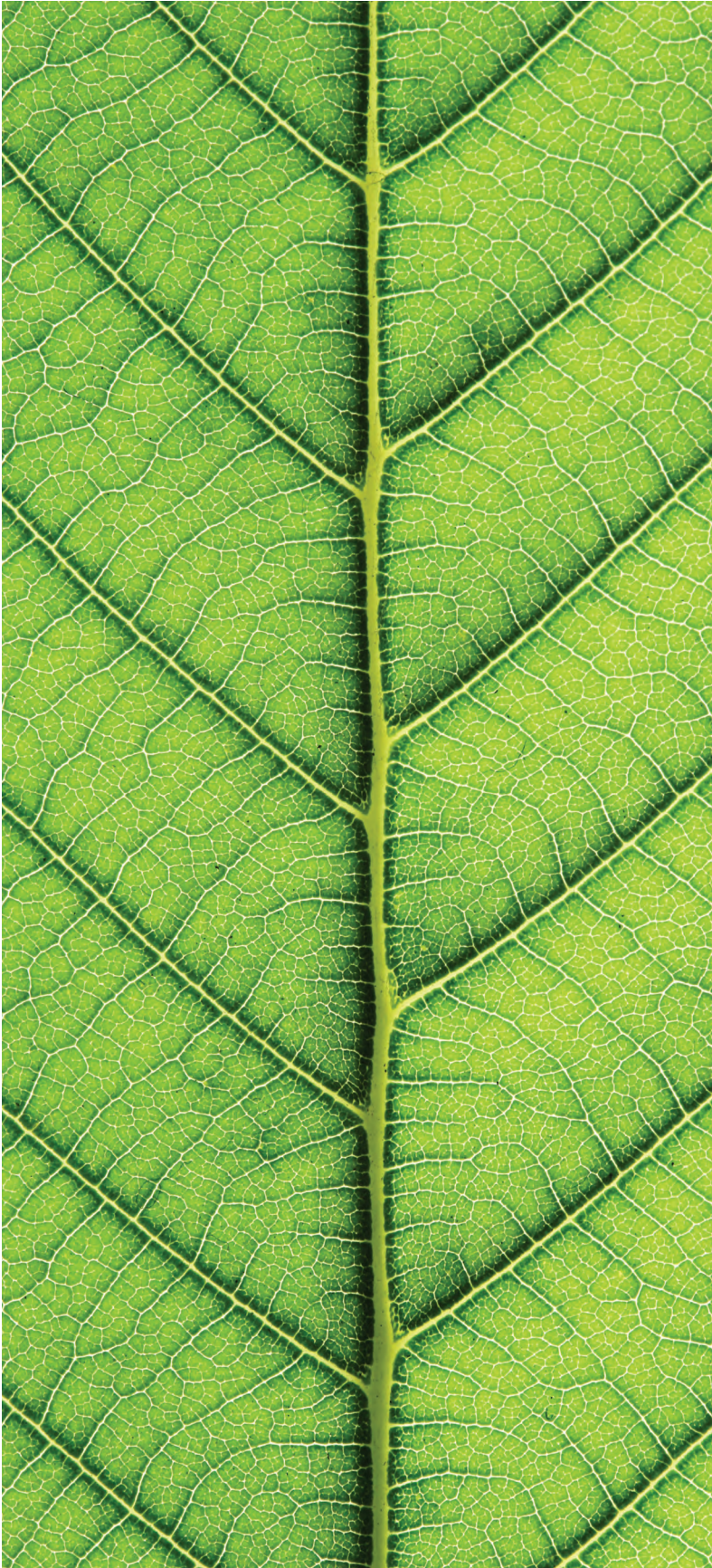
Creatively reusing materials that would otherwise be thrown away.

## **Employee Training and Engagement**

Encouraging and enabling our staff to take part in and support our zero waste initiatives.

## **Composting Organic Waste**

Using composting to manage organic waste will help cut down on landfill contributions while producing useful compost for local consumption.



**2031: We plan to reduce our Scope 1 and Scope 2 Environmental Emissions by 25% (2.5% per year against our 2021 base year).**

Most of our emissions reductions have been from the fuel mix improvements at Entergy, our energy provider for our largest factory, which accounts for roughly 80% of our electricity consumption. While other increases and decreases are present, the reduction in emissions from 2022 to 2023 can largely be explained by the improvement in Entergy's fuel mix. The majority of our electric consumption comes from our AR factory, and we have been able to work with our energy company in AR to get green tariffs. We have offset our energy consumption by using solar energy which is credited to our fuel mix. Standing at 22% of 25%, we are slightly over 4/5 towards our goal of 4300 metric tons CO<sub>2</sub>.



# About this Corporate Responsibility and Sustainability Report

This Corporate Responsibility and Sustainability Report of HMS Mfg. Co. (“HMS”) will remain an integral part of our business operations for the foreseeable future. We will continue to engage with our consumers, customers and others proactively and regularly on sustainability related topics.

Our HMS teams are knowledgeable about sustainability related goals and work to produce measurable results. This report is intended to highlight our progress towards meeting its goals.

## Sustainability

HMS focuses on our voluntary sustainability goals and works to exceed these goals.

## Social Welfare

HMS has a compliance program to promote organizational ethics and adherence to applicable laws and regulations.

## Commitment to Diversity, Equity & Inclusion

HMS. is an equal opportunity employer. It is the policy of HMS Mfg. Co. that no employee or applicant for employment will be discriminated against based on any protected class or characteristic established under applicable federal, state or local law.

## Employee Spotlight

The successes of HMS depend largely on the talents and efforts of our team members, and our ability to nurture an inclusive culture.

## Community Engagement and Support

HMS supports communities in several ways. We offer a paid time off day for employees to volunteer for a cause of their choice, we donate products to charitable organizations, and we participate in community volunteer events.



This report may contain information such as “forward-looking statements” that may be identified with words such as “anticipate,” “intend,” “plan,” “goal,” “seek,” “believe,” “project,” “estimate,” “expect,” “strategy,” “future,” “likely,” “may,” “should,” “will”, “forward- looking” and similar references to future periods.

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on HMS’s current beliefs, expectations, and assumptions regarding the future of its business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Actual results may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause the actual results to differ materially from those indicated in the forward-looking statements include, among others, the following: changes in customer demand, public health crises, local, regional, national and international economic conditions, disruptions in the supply chain and/or labor shortages.

Any forward-looking statement made by HMS in this Corporate Responsibility and Sustainability Report is based only on information currently available and speaks only as of the date on which it is made. HMS does not undertake an obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

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