



# Corporate Social Responsibility Report August 2024

## Foreword

I am pleased to introduce the first Cretex Companies Corporate Social Responsibility Report. This inaugural report describes the significant impact we are having on our team members, our customers, and our community. After reviewing this report I believe you'll see the solid foundation we have laid for the future as we continue our journey of progress and improvement for the benefit of current and future generations.

As a privately held, family-owned company founded in 1917, Cretex has a long-standing tradition of commitment to excellence and community. This report highlights the dedication and hard work of our 2,200 purpose-driven team members who are serving our customers, driving operational excellence, and furthering our culture of caring and belonging.

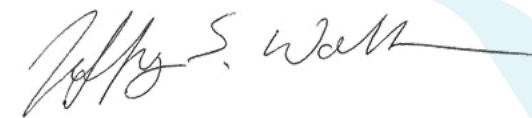
Cretex operates two primary groups: Cretex Medical and Cretex Infrastructure. Over the past year, our Medical team shipped over 200 million components, assemblies, and finished devices impacting the quality of lives all over the world. Our Infrastructure companies shipped products to all 50 states, improving the quality and environmental impact of our nation's sanitary and stormwater infrastructure, while also providing high-quality sand and limestone for roads and

construction projects. Some of our other highlights from the past 12 months include:

- Over 140 leaders actively participated in Understanding and Responding to Bias training.
- Investments in renewable energy, including one of the largest solar panel installations in Minnesota at our new Brooklyn Park facility.
- Launch of the Cretex Green Team, focused on reducing our environmental impact.
- Mental Health Certification for more than 100 additional managers and leaders.
- Improvements in our industry-leading safety and employee retention metrics.
- Support for 25+ local and national charities.
- Continued investment in our team through leadership training, cohort programs, and over 40 interns from 20 universities.
- Support for impactful product development launches for the world's top medical device companies.
- Groundbreaking for our new facility in Costa Rica.

We sincerely appreciate your interest in Cretex and our efforts, and we look forward to a bright future together.

Best Regards,



Jeff Wollerman, CEO, Cretex Companies, Inc.

**“Together with our stakeholders, Cretex is building an enduring legacy that positively impacts the well-being of current and future generations. Our commitment is to grow and improve continuously as we strive to enhance the impact of our team, customers, and community.”**



# About Cretex

## Who We Are

In 1917, L.D. Bailey and D.W. Longfellow envisioned the need for a comprehensive, reliable transportation system as the foundation for economic development. From this vision, Cretex Companies was born with the mission to supply quality concrete drainage products to advance the expanding infrastructure needs of a growing nation. As the needs of the country and the world evolved, so too did our vision, inspiring our transition to become a leader in the medical device contract manufacturing and engineering services market. Over 100 years later, this family-owned business attracts world-class leaders driving cutting edge innovations and growth. Our private family ownership structure empowers us to take a long-term perspective on market needs and investment.

We pride ourselves on being our customers’ best choice. Our resources and management philosophy allow us to quickly invest in leading-edge technologies and talent, giving customers a distinct competitive advantage in today’s global markets. Our family owned and professionally managed structure provides our customers with the supply chain stability they want and need. With a full spectrum of manufacturing

capabilities and engineering expertise, our customers can count on us for the highest possible quality and the flexibility to match their complex and changing needs.

Our people are the best in the business. We’re able to attract and retain top talent by investing in employee development, caring for their needs, and creating a culture of operational excellence. From the office to the production floor to the warehouse, our employees are constantly looking for ways to close gaps, create efficiencies and make products better for customers and patients. Continuous improvement isn’t a catch phrase, it’s our way of life.

Cretex talent and technology improve the quality of people’s lives. We make it easier for medical device companies to bring products to patients, and we deliver best-in-class sealing solutions and aggregate products in the infrastructure market. By consistently focusing on operational excellence and reinvesting in our businesses, we continue to support the long-term vision of our owners and the needs of our customers, and positively impact the communities in which we operate.



***Learn more about the Cretex Companies history and organizational structure in Cretex at a Glance.***

# Our Pillars

The five pillars of our corporate social responsibility express who we are and guide how we do business every single day.

As you read this report you will see how our accomplishments in each area demonstrate our strengths and prepare us for future successes.



## OUR PEOPLE

We count on every employee to have a bias for action, bring great ideas forward, and be relentlessly focused on customer and patient outcomes. Cretex is committed to providing meaningful work, a positive environment, and opportunities to grow both personally and professionally.



## OUR CULTURE

The values established by our founding family are still present in our daily interactions with one another, our customers and our communities. We are proud of our culture where executing to our promises and continuously pursuing operational excellence are a common bond.



## OUR CUSTOMERS

Offering quality products and services at an equitable price with an unparalleled customer experience are at the heart of our 100-year success. We have been rewarded with long-term industry partnerships by innovatively solving our customers' most complex challenges.



## OUR ENVIRONMENT

By doing what is right and accepting responsibility as stewards of our resources, we continuously aspire to integrate environmental sustainability into everything we do. We strive to be a model corporate citizen by respecting our environment and supporting our communities.



## OUR GOVERNANCE

Our common management system guides our businesses to take long-term perspectives and leads to strategic investments that outpace industry averages to support our customers' ambitions. We operate in a reputable, ethical manner based on the core principles of honesty and integrity.



## Innovative. Honest. Accountable.

*We count on every employee to have a bias for action, bring great ideas forward, and be relentlessly focused on customer and patient outcomes. Cretex is committed to providing meaningful work, a positive environment, and opportunities to grow both personally and professionally.*

# Employee Experience

## Attracting and Retaining Talent

Our greatest asset isn't the tools we use, but the people who use them. Our world-class workforce is the foundation of our continued growth and success. We're proud to attract and retain some of the best and brightest in the industry.

We value the employee as a whole person, recognizing that their needs evolve depending on where they are on their life journey. Our benefit offerings have adapted to meet those comprehensive needs.

## Lifelong Learning

Cretex provides tuition reimbursement to full-time employees to continue their professional development, and learn additional job skills, through formal education at accredited institutions.

## Celebrating All Families

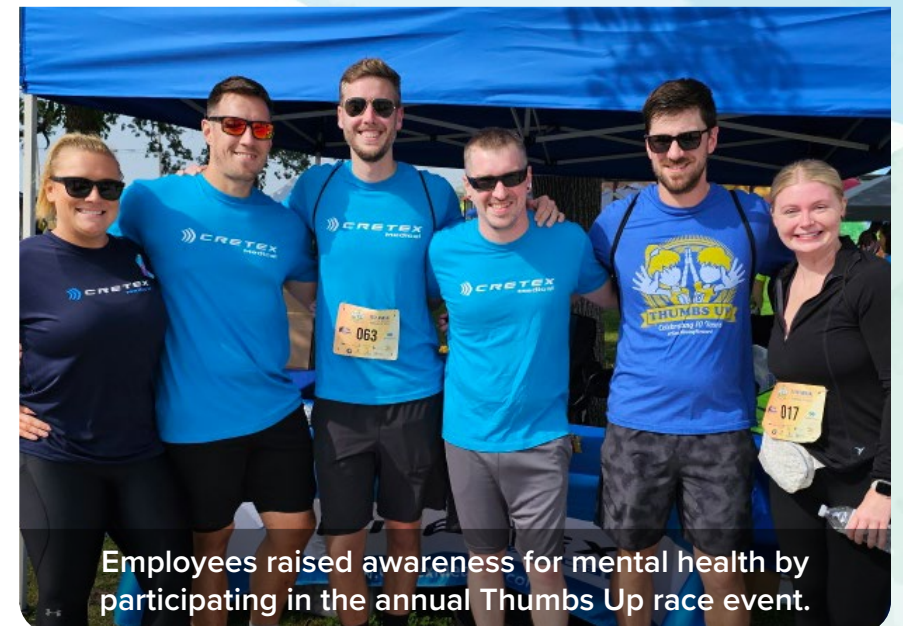
Biological and non-biological parents and caregivers are eligible for paid parental leave for births and newly adopted or newly fostered children.

## Accessing Help When Needed

There are times when life can be overwhelming for each of us. Through our Employee Assistance Program employees have access to a wealth of resources for help, including one-on-one counseling sessions, health advice, financial guidance, attorney referrals, and caregiver assistance.

## Profit Sharing

Our profit-sharing plan sets us apart from other employers in the industry. In addition to a salary-based regular company-funded 401k plan, Cretex provides annual contributions to employee retirement accounts based on the company's performance and profitability. As the future brightens for Cretex, we ensure that it brightens for employees too.



# Celebrating and Supporting Our Employees

## Employee Life

Delivering for customers requires attracting, retaining, and developing talent. But beyond that, we've found that to build strong teams we must celebrate accomplishments and honor traditions. Creating a workplace that balances fun and professionalism improves efficiency and engagement and ensures our continued success. Across the company these events take many forms, including:

- Employee Appreciation Activities
- Holiday Festivities
- Peer Recognition
- Volunteerism and Charity Donations
- Seasonal Contests and Celebrations

## Supporting Employees in Mind and Spirit

Part of creating a positive employee experience is supporting each employee's whole self. That's why mental health awareness is at the forefront of Cretex's wellness initiatives.

**Stigma Free Workplace:** Cretex requires all people leaders to complete Stigma Free Workplace training. This course covers important concepts on mental health and the impact of mental health challenges on an individual's ability to live, laugh, and learn. Participants learn about the signs and symptoms of common mental health challenges, as well as the professional care, tools and resources that can help. Since introducing the course in 2021, Cretex has had 280 leads, supervisors, managers and executives complete the training.

**Mental Health First Aid:** Nationally recognized and accredited through the National Council for Mental Wellbeing, the Mental Health First Aid certification course is required for our management team. Mental Health First Aid Certification goes deeper with participants on how to identify, understand, and respond to the signs of mental health challenges and substance use disorders. The course gives participants the skills needed to reach out and provide initial support to someone who may be dealing with a mental health or substance use challenge and connect them with the resources to help. Since initially introducing the course in 2021, over 100 members of our management team have become certified.



# Personal & Professional Development

## *Developing Our Most Valuable Resource: People*

The passion, expertise, and hard work of our employees is the key to our success. Investing in employee development strengthens our teams and drives future innovation.

### **CretexU**

All employees have access to Cretex University, or CretexU, a comprehensive suite of educational courses designed to help them learn new skills and sharpen existing competencies. Instructor-led and online options are available in a variety of subjects, including:

- Continuous Improvement/Operational Excellence
- Production Best Practices
- Lean Methodology
- Project Management
- Leadership
- Health and Wellbeing

### **Leadership Development**

We partner with the University of Minnesota's Carlson School of Management to offer a premiere leadership development course to senior and emerging leaders. Leadership cohort participants from across the enterprise come to work and learn together under the tutelage of both our executive leaders, as well as Carlson School professors (each an expert in their field). Cohort members work together on projects to build cross-company connections, apply their learnings, and gain a deeper understanding of our customers and their needs.

Leadership topics include:

- Strategic Thinking
- Ethics
- Finance
- Team Effectiveness
- Leadership Presence
- Mental Health



## Pushing the Industry Forward

Attracting and retaining the best talent in the field is not solely about achieving our own success. Cretex employees are driven to expand the horizons of what technology can do, championing scientific and social advancements across the industry. We are sought-after contributors to medical device publications and professional conferences and organizations, providing thought leadership and advocacy on a variety of topics. Our thought leaders include:



**Ryan Kircher**

*Principal Manufacturing Engineer  
Cretex Medical | rms*

Recognized as leader in the Additive Manufacturing field, in 2023, he presented at several conferences on topics such as osseointegration, additive manufacturing, and the quasi-static and dynamic mechanical properties of titanium alloy Ti6Al4V. Ryan is on the Executive Board of ASTM F42 which develops international standards for the AM industry.



**Sopheak Srun**

*Principal Sterilization Scientist  
Cretex Medical | QTS*

Co-chair of the Microbiological Methods Working Group of the AAMI Sterilization Standards Committee (AAMI ST/WG08), and a designated US expert to the corresponding International Organization for Standardization working group (ISO TC198/WG08). Sopheak is also one of the executive committee founding members of KiiP, a group focused on healthcare packaging whose vision is to improve patient outcomes by advancing healthcare packaging science, engineering, and understanding.



**Angie Hillyard**

*Director of Engineering  
Cretex Medical | CDT*

Industry-recognized expertise in medical device product & process development, continuous improvement and manufacturing scale up for global launch of products in vascular diagnostic & treatment (coronary, neurological & peripheral) and spinal implants and instrumentation. She was featured in Medical Design & Outsourcing's 2021 "Women in MedTech" issue and discussed electrophysiology and PFA (pulsed field ablation) devices in the March 2024 episode of DeviceTalks.



## Cretex Internship Program

We engage with colleges and universities in the Upper Midwest and across the United States to give talented students real world experience with engineering, manufacturing, quality, marketing, human resources, IT, and finance. Interns grow their technical and leadership skills while learning firsthand about the power of teamwork. Each year we're proud to hire former interns who go on to make significant contributions to Cretex's ongoing success. Many of our key leaders and talent started at Cretex as an intern. Our internship program is a critical investment in the future of our business.



**Linda H.**, Process Improvement Engineer  
Cretex Medical | CDT  
Intern Class of 2022 & 2023

*"My favorite part about this internship was absolutely the people. My work was meaningful, but developing relationships with personable, kind people who were always willing to help and teach was what I will take with me."*



**Prakhar P.**, Quality Engineer II  
Cretex Medical | rms  
Intern Class of 2022

*"What I enjoyed the most about this internship was that I got a chance to work on a variety of different things as compared to my previous internships. The biggest takeaway for me from this internship was learning how to work as a team and not in isolation."*



Interns work closely with seasoned employees on projects across the company.



2024 Interns attending the Cretex Medical Conference.



## Generous. Inclusive. Collaborative.

*The values established by our founding family are still present in our daily interactions with one another, our customers and our communities. We are proud of our culture where executing to our promises and continuously pursuing operational excellence are a common bond.*

## The Cretex Culture at Work

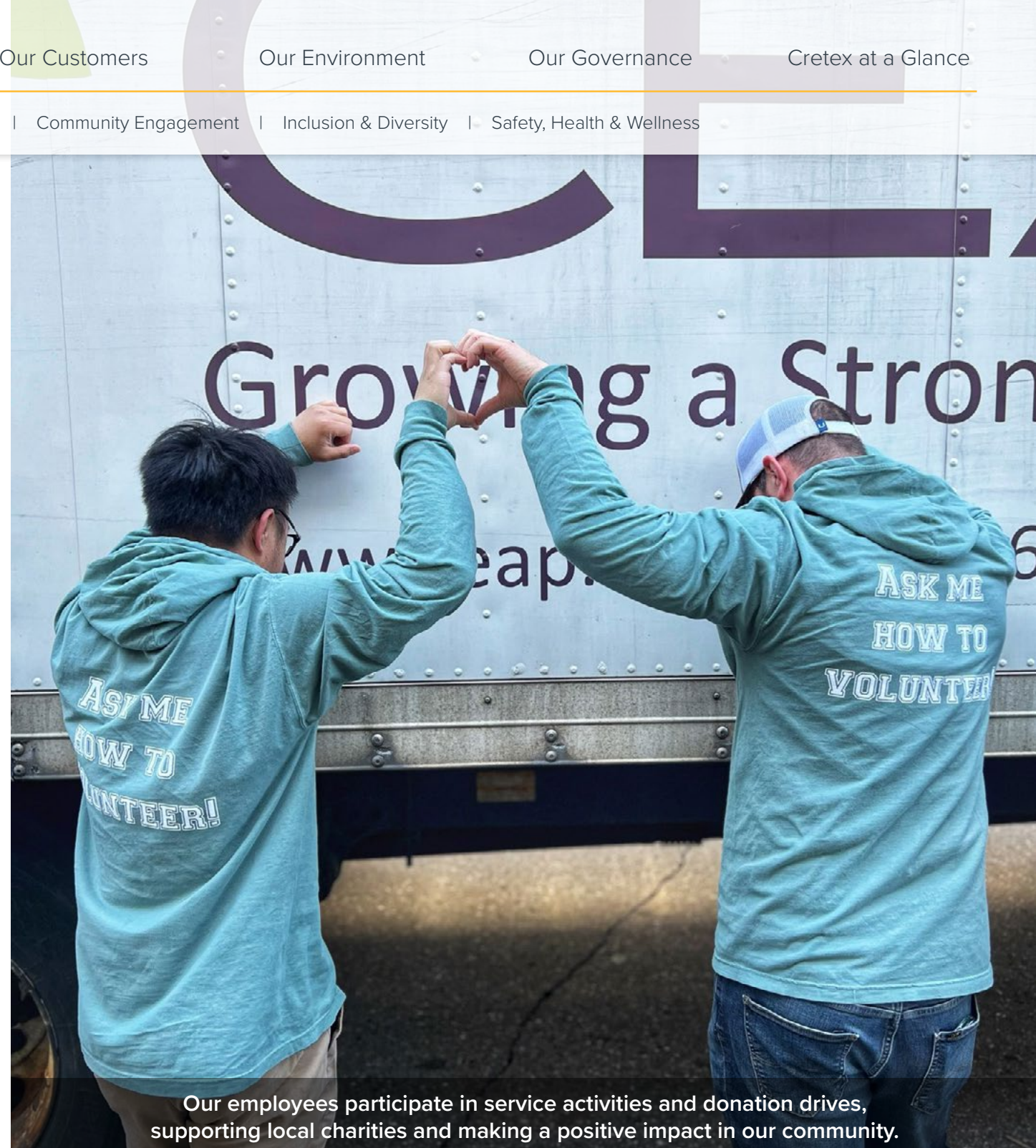
We are passionate about what we do because we know what we do has meaning. Each product we make is relied upon to save a life or improve the quality of a life. We never forget that. As a family-owned, purpose-driven company, we put people first. Our focus is on doing right by our employees, our customers, and our communities. We're able to take a long-term perspective on our investments, meaning we don't short change our customers' long-term needs for our own short-term profits. This culture expresses itself in everything we do: We strive to bring out the best in each other.

- **Operational Excellence** isn't just about the bottom line, continuous improvement is who we are.
- We care about every employee. When we say **Cretex Cares**, it's a reflection of our values, as is our commitment to **Inclusion + Diversity**, and our dedication to **Safety, Health and Wellness**.
- We are woven into the world around us through connection and compassion. That is why **Community Engagement** is so important to us.



“Our purpose-driven culture is very important to us at Cretex because we know it’s a key driver in our success. It’s that culture that keeps us focused on continuous improvement, on caring for our people, and on building a legacy of positively impacting the well-being of current and future generations.”

*-Jill Schulz, CHRO, Cretex Companies*



Our employees participate in service activities and donation drives, supporting local charities and making a positive impact in our community.

## Operational Excellence

At Cretex, “Operational Excellence” (OE) is at the core of everything we do. Our culture of continuous improvement is driven by our commitment to be better every day. Across all levels of the company, our team members are trained, engaged, and empowered to find innovative ways to eliminate wastes and improve processes to maximize value for all stakeholders.

We don’t measure OE success just by how much money it saves, but how it impacts our customers. We take the role we play in delivering the customers’ life-changing products to patients very seriously. We judge our success by how much we maximize customer value. Our pride comes from doing everything we can to support customers with excellence.



“Operational Excellence is not just about the tools we use. Our focus is really the people who use them. We have incredible talent and expertise on our team. And we empower every employee every day to take part in our OE effort.”

*-Brian B., Director of Operations, Cretex Medical | QTS*



QTS recognizes OE accomplishments at their Olympics themed event.



OE celebration for CDT team members.

## Cretex Cares

In 2020, we launched Cretex Cares to support employees through the hardships of the COVID-19 pandemic. This work continues today because we found how much stronger we become, and how much good we can do, when we work together as a family. In 2023, through Cretex Cares we've made quite an impact.

### Employee Support

We lift each other up when times are tough. Employees regularly contribute funds and resources to help and support their coworkers. That includes money raised to support California employees impacted by flooding in 2023, as well as gifts and assistance for coworkers experiencing hardships and tragedies in their personal lives.

### Cretex Cares-A-Thon

Every year we marshal our hearts and hands together for a month of donations, activities and volunteering to make the biggest impact we can. The 2023 Cretex Cares-A-Thon included employees across the organization doing everything from gathering clothing, kitchen essentials, school supplies and more for local charities, grounds work and activities for seniors, and raising money and awareness for mental illness. We're proud of making 2,000 sandwiches for the homeless, packing 30,000 meals to fight hunger in our communities, and another 23,000 meals to fight hunger around the world.

### Team Building

Coming together, **turning our values into actions**, strengthens relationships across the organization while making us a true force for good. Through Cretex Cares we share our culture of caring to our employees facing hardships and to the communities in which we work.



***Committed to supporting our employees, their families, and the communities in which Cretex businesses operate.***



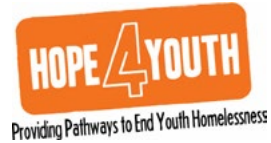
Sorting food at Second Harvest Heartland during Cares-A-Thon.



One of the highlights of the annual Cretex Medical Conference is a community service activity. In 2023, attendees assembled meals for Harvest Pack, a Minnesota-based charity.

## Community Engagement

Each company across the Cretex family of businesses engages in community outreach efforts. We donate our money and our time to help people live fuller healthier lives free of illness, hunger, poverty, and homelessness. We're proud to have supported dozens of worthy organizations, including:



In September, 2023, employees and their families participated in the annual Thumbs Up race event.

# Inclusion & Diversity

*Cretex Companies is committed to making all employees feel valued and included.*

## Cretex Companies Inclusion and Diversity Statement

Cretex aspires to a culture of belonging and inclusivity where all team members feel welcomed, can thrive, and are engaged. We believe diversity is essential in our pursuit of always striving for a better way.

Together, we make a difference...

## Creating Welcome

To build an inclusive workplace where everyone belongs, we know we need to be intentional about confronting biases that lead to discrimination. That's why we've worked with experts like Dr. Abdul Omari so we can employ the **NPO** framework to our perceptions and decisions.

**Neutralize:** Take a step back to see the whole picture, recognize that a bias may be coloring how we perceive an individual, group or situation.

**Pivot:** Give ourselves the opportunity to make a choice other than what our bias predisposes us to do.

**Own the Bias:** Practice reacting differently so we can make better decisions.

In 2023, Dr. Omari conducted roundtables with Cretex people leaders to create an interactive learning experience around responding to bias in the workplace. This training continues into 2024 with other employee groups.



**"We as individuals, whether we know it or not, have the ability to make an impact at large scale, even though we think that we're in our own little silos."**

**-Abdul M. Omari, PhD, Founder and Principal at AMO Enterprise**



# Safety, Health & Wellness

*We take care of each other*

## Holistic Wellness

We provide employees with benefits and tools to care for their physical, mental, and financial health. Each month, our **Be Well program** provides advice and resources to help employees live fuller, healthier lives. Monthly themes include:

- Heart, Cancer and Diabetes Awareness
- Suicide Prevention
- Digital Health
- Personal Finances
- Caregiver Resources
- Healthier Holidays

## Onsite and Online Options

Our **Be Well Health Centers** in Coon Rapids and Brooklyn Park offer local employees convenient and free care options.

All employees have access to the **Marathon Health ePortal** where they can view their health records, access health education materials, and more.

## Staying Safe

Traditionally, companies take a reactive approach to safety, responding to incidents and focusing on complying with regulations.

At Cretex, we've implemented a risk-based philosophy that goes beyond simply meeting regulatory requirements. Our risk management techniques take a proactive approach to protecting people, property and the environment. We don't want to merely react to incidents, we strive to prevent them from occurring in the first place.

Key to this philosophy is instilling a sense of ownership in each employee. We're proud to have built a culture at each of our locations so every employee is empowered to speak up whenever they perceive the potential for injury, damage or environmental harm.



Marathon Health team members Linnea Ritter (APRN, CNP), and Medical Assistant, Danielle Bryant, staff our Be Well Health Centers.



Employees promote the 988 Suicide and Crisis Lifeline.



## Responsive. Reliable. Dedicated.

*Offering quality products and services at an equitable price with an unparalleled customer experience are at the heart of our 100-year success. We have been rewarded with long-term industry partnerships by innovatively solving our customers' most complex challenges.*

## Customer Experience

Cretex delivers for our customers through our relentless focus on quality, risk mitigation and innovation. Whether it's engineering a solution that's never been done before, maximizing the efficiency of a process, or finding new ways to ensure our painstaking quality standards, we meet and exceed expectations every day. When customers partner with us they experience our industry leading expertise up close as we custom design solutions that are scalable, repeatable and reliable. Every strategy, investment and decision we make is focused on being our customers' best choice.

We take great pride in not only what we build, but in being easy to work with. Technology and market conditions may be in constant flux, but customers always know they can rely on our unparalleled responsiveness and world-class service as we help them adapt and thrive. At Cretex we bring together all our talents, tools and creativity to go above and beyond for our customers every day.



“What sets us apart from other Medical Device Manufacturers is our passion to connect with the needs of our customer. We get up every morning thinking about our customers' patients and doing our best to play our part in ensuring successful medical outcomes. That's why our engineers and technical staff interact directly with our customers to understand their needs. That is also what drives us to solve problems, craft unique solutions, and deliver ahead of schedule. We take pride in exceeding our customers' expectations and providing an exceptional customer experience.”

*-Dave L., Director of Engineering-Medical Metals,  
Cretex Medical | rms*



Cretex Medical | QTS at the[PACK]out 2024. Our team attends medical technology conferences to present, learn, and connect with customers from all over the world.

## Going Above and Beyond Every Day

### Solving Our Customer's Most Complex Challenges

"Our customer was in a bind. They had a 510(k) deadline for FDA approval fast approaching, and the part they needed would take almost all medical device manufacturers 6-8 weeks to build a mold and another 3-4 weeks to have design verification equivalent parts. So, they called Cretex Medical. We had invested in an onsite metal additive printer for exactly these kinds of urgent situations, so we can make it easier for customers to get their products to patients. We designed and built their mold in 2 weeks and quickly produced design verification parts for testing, which pulled in their timeline by almost 2 months. The customer met their deadline, got FDA approval, and can now deliver for patients."



**Kyle K.,** Technical Sales Engineer  
Cretex Medical | CDT

### New Tools to Better Help Customers and Patients

"CT scanning has become an important tool in driving efficiency and ensuring quality for our customers and their patients. With Cretex's investment into an in-house CT scanner, our Additive Manufacturing team can now evaluate surface technologies faster as well as detect potential defects hidden within a product. These defects typically aren't detected until mechanical strength testing. Finding these defects sooner results in reduction of the development timeline, faster 510(k) approvals, and quicker speed to market. In addition to development improvements, our ability to CT scan products in-house means that Design Engineers can create advanced designs that couldn't otherwise be inspected. That leads to our customers being able to design more innovative products and, in turn, more advanced treatments for patients."



**Brett S.,** Engineering Manager Additive  
Cretex Medical | rms



## Going Above and Beyond Every Day

### Understanding Our Customers by Truly Listening

“When our client shared how important taking care of the Earth was to their core values, we took it to heart. Our team completely redesigned the packaging for their pulmonary disease treatment kit in a way that cut their costs, shrunk the package by about 40%, and reduced its environmental footprint by about 50%. Now they can get their products to patients not only more easily, but more sustainably too.”



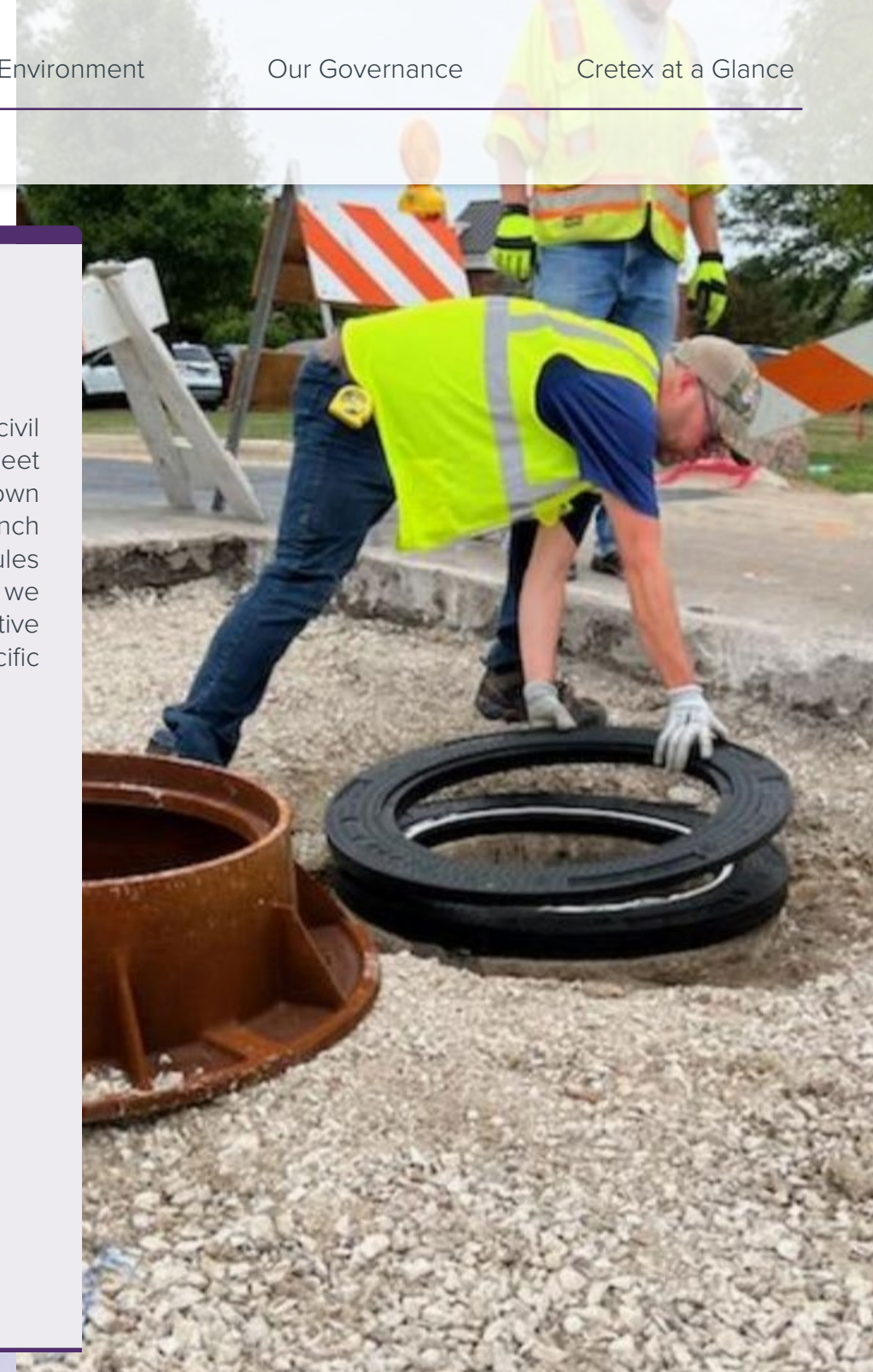
**Jason L.,** Director of Engineering  
Cretex Medical | QTS

### Unparalleled Service at the Heart of our Success

“At Cretex Specialty Products, our customers are civil and municipal engineers working day and night to meet deadlines, and they don’t have a lot of time to sit down with vendors. That’s why we came up with our Lunch & Learn series. Our experts arrange their schedules to meet with engineers on their lunch breaks so we can work together in an informal and collaborative atmosphere. Together, we find solutions to their specific needs with savings, simplicity and quality.”



**Tim N.,** General Manager  
Cretex Specialty Products



## Enhancing Our Footprint

Whenever we invest in our facilities, we first think about how we can best support our customers. We are intentional and prudent in managing our growth, so when we do identify a customer need, we can move quickly to scale-up our capabilities. When you visit our sites, you'll see how our technology, staffing, and even layout has been carefully designed to maximize customer value and benefit.

### Dassel, Minnesota

At our Dassel location over the last couple of years we've increased our production scale significantly. Enhancements include moving and expanding Cleanrooms, new Automated Assembly Cells and Cleaning Lines, and 20% more Lasers. Greater capability means we can help customers get more of their products to patients faster.

### Brooklyn Park, Minnesota

Completed in 2022, our newest facility reflects the customer-centric spirit of Cretex Medical. Molding, Stamping and Laser Processing are all under one roof. The Automation Lab and the Polymer Additive lab are shared resources on site to help drive collaboration and reduce turnaround times so we can better deliver to customer needs.

### Bloomington and Shakopee, Minnesota

In 2023, we completed major renovations of our Bloomington and Shakopee locations. Without expanding our footprint, we were able to increase capacity to meet growing customer demand by creating more space for Cleanrooms, Passivation, Engineering and Wet Labs, and Final Assembly.

### Cartago, Costa Rica

With a growing global customer base, we recognize the need to expand our international footprint. Selecting Costa Rica for our new location enhances our ability to serve our customers and offer additional capabilities to support their products throughout their lifecycle.



Breaking ground in Cartago, Costa Rica.



Artistic rendering of our new facility in Costa Rica.



## Sustainable. Responsible. Accountable.

*By doing what is right and accepting responsibility as stewards of our resources, we continuously aspire to integrate environmental sustainability into everything we do. We strive to be a model corporate citizen by respecting our environment and supporting our communities.*

# Good Stewardship for the Earth

## *Being intentional about sustainability*

For over 100 years we have prided ourselves in protecting resources for the future. In this generation, we have formalized our sustainability philosophy and strategy in alignment with customer and employee expectations. We believe that leaving things better than when we found them is the right thing to do.

### **Cretex Companies Environmental Sustainability Statement**

Cretex is committed to responsible environmental practices in support of our business objectives and compliance with applicable laws and regulations.

We believe the benefits of reducing our environmental impact contributes favorably to society and our business operations by embracing these priorities:

- Conservation of energy and water
- Reduction and recycling of waste
- Reduction of carbon footprint
- Sustainable supply chain practices
- Environmental community service projects

The engagement of our people through our Operational Excellence culture and tools will give us the foundation to continuously measure and improve our initiatives.



The Green Team toured a local elementary school, where students planted flowers and vegetables for the school garden and their annual plant sale fundraiser.

# Employees Turning Values into Actions

Building on our long tradition of innovation and environmental stewardship, in 2023 Cretex launched the Green Team. They've already made a significant impact through:

- Championing environmentally conscious decision-making at the corporate level.
- Promoting conservation tips that employees can practice both at work and at home.
- Gathering ideas through the Quick Win process to improve efficiency, save money, and reduce our environmental impact.

## Integrating environmental sustainability into everything we do takes many forms.

### Staying Safe – Staying Green

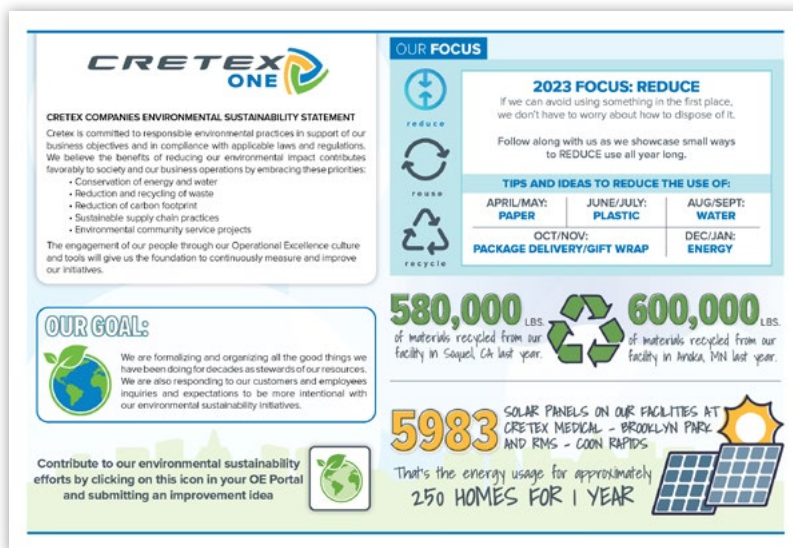
In the last year we've increased personal protective equipment (PPE) and plastic recycling by 1,110%. Employees can stay protected while they protect the environment.

### Reducing Waste – Repurposing Plastic

We started a NexTrex pilot program that has already captured over 500 pounds of plastic film waste (sandwich bags, grocery bags, bubble wrap, etc.) and converted those materials into a new park bench for a local elementary school.

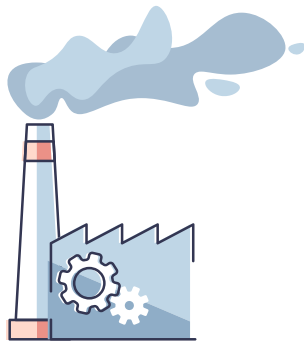
### Smarter Packaging – Smarter Business

Using the COMPASS life cycle assessment (LCA) tool, we've evaluated how we package our products and have begun implementing design improvements. Redesigned packaging helps us and our customers meet our sustainability goals.



## Energizing Our Future

Our investments into LED lighting, energy-saving HEPA filters, and solar panels at our Coon Rapids and Brooklyn Park facilities help save us money and help save the planet. With our measurable greener energy technology in 2023 alone we:



Saved over

**2 MILLION LBS.**

of CO2 from being generated.



That's the equivalent of planting over

**15,000 TREES**



Our Brooklyn Park facility hosts one of the largest solar panel arrays in Minnesota.

## Using Our Creativity to Find New Solutions

Every day, Cretex's Operational Excellence (OE) culture harnesses the expertise and imagination of employees to make process improvements. The same ingenuity that makes our processes safer, more efficient, and higher in quality, can also make us greener.

At our Brooklyn Park location, the passivation process for the metal finishing area used city water for the non-contact cooling. When our employees realized they could switch to a closed-loop chilled water system, they were able to implement an improvement that saved the equivalent of enough drinking water for over 4,000 people per year.

### Sustainability is the Future

Business growth does not need to mean growing our impact on the environment. In 2024, our theme is Reuse. As we continue and expand upon our existing efforts, we'll look for new and creative ways to manage our stock and materials, and make our products and processes more sustainable.



In 2023, employees at the Brooklyn Park Facility gathered 647 pounds of plastic film. As a result, we received a NexTrex bench, which we donated to Champlin-Brooklyn Park Academy for Math & Environmental Sciences.



## Trustworthy. Resilient. Stable.

*Our common management system guides our businesses to take long-term perspectives and leads to strategic investments that outpace industry averages to support our customers' ambitions. We operate in a reputable, ethical manner based on the core principles of honesty and integrity.*



# Corporate Governance

## *Responsible and Ethical Business Practices*

Cretex Companies is committed to compliance with all applicable laws and regulations according to the highest ethical standards. Our governance structure encompasses policies, procedures, controls, and reporting designed to align with our business operations, regulatory requirements and shareholder values.

Cretex executive leadership and local management are committed and responsible for ensuring that ethical practices, environmental stewardship, community engagement, transparency and accountability are incorporated in our strategic decision-making and day to day activities.



CEO & President, Jeff Wollerman

## Ethical Business Practices

We conduct business honestly and ethically in all of our operations and we expect our employees, third-party partners, suppliers and contractors to do the same. Cretex strives to continuously improve the quality of our services, products and operations. We take pride in our reputation for honesty, fairness, respect, responsibility, integrity, trust and sound business judgment. *Illegal, dishonest, unethical or fraudulent activity is not tolerated.* Reportable activities include violations of any provision of federal, state, local or country law. Specific policies are outlined in the Cretex Code of Conduct, which is reviewed and signed by each employee.

In addition to the Cretex Code of Conduct, we maintain other robust policies related to ethical business practices, including:

- Labor & Human Rights
- Anti-Bribery and Corruption
- Conflict of Interest
- Entertainment and Gift
- Intellectual Property
- Cybersecurity and Privacy
- Conflict Minerals

Internal policies are reviewed on an annual basis and training is provided to employees at appropriate intervals (no less than every other year).

Additionally, we maintain a confidential Ethics Hotline for employees who believe Cretex is not achieving this standard, or if they believe any employee is not meeting expectations while working with or representing Cretex.



Cretex leaders answer questions during the 2024 Cretex Medical Conference.

# Risk Management

To guard against threats and identify vulnerabilities, Cretex leadership regularly analyzes strategic, operational, legal, financial and compliance risk throughout all our businesses. We adapt to challenges and pursue opportunities, as we meet our commitments to our customers, employees and shareholders. The board of directors and audit committee meet throughout the year at regular intervals with Cretex executive, finance, and IT leadership to assess the financial, legal, operational and IT risks throughout our businesses to guide the mitigation of risk for all stakeholders.

## Managing Risk

- **Risk Taxonomy:** Our enterprise risk taxonomy comprises 5 risk categories and 28 sub-risks, ensuring comprehensive coverage and understanding of potential threats.
- **Risk Identification and Prioritization:** Our top leaders regularly identify and prioritize risks. We assess each risk based on likelihood, impact, velocity, and risk management capability.
- **Proactive Risk Management:** By actively managing and monitoring top risks as part of our overall ERM Governance process, we mitigate potential impacts on the organization.
- **Artificial Intelligence:** Our AI Steering Committee sets organizational goals related to AI, manages AI associated risks, and tracks AI initiatives.

## Disaster Recovery and Business Continuity:

Even in a disaster, our commitment to our customers and our employees does not change.

- We have implemented robust business continuity plans to sustain operations during disruptions.
- We test our comprehensive disaster recovery plans regularly to ensure effectiveness.



At the Cretex Medical Conference, many employees gather to learn about several topics, including company performance, market trends, and potential risks.



CFO, Scott Lunger

# Cybersecurity

With every advancement in information security technology, we know that cybercriminals adapt to find new ways to infiltrate systems. The key to a successful cybersecurity regime is marrying a sophisticated security infrastructure with a culture of watchfulness where each employee understands the important role they play.

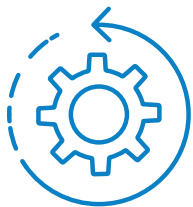
- **Vigilance:** We have implemented a robust cybersecurity framework (including procedures, tools, and training) to protect against threats.
- **Assessment:** Our annual third-party assessments evaluate our cybersecurity risk posture, identify weaknesses, and strengthen our defenses.
- **Oversite:** Our Audit Committee reviews our procedures and tools to maintain accountability and transparency.

## Information Security is Everybody's Job

Creating and maintaining a culture of vigilance requires both training our employees to be alert and testing those best practices.

Employees are required to complete regular training throughout the year on cybersecurity threats. Training modules consist of case studies that invite employees to think of what they would do in a situation, and then learn about how best to guard against cybercrime.

Our Digital & Information Technology team periodically initiates simulated phishing attacks to ensure employees can identify suspicious emails and act accordingly.



Our culture of continuous improvement isn't only about improving the efficiency of our processes and the quality of our products. It encompasses our commitment to excellence in how we do business, inspiring us to bring our rigorous devotion to ethics and responsibility to each new challenge and risk.



CIO, Eric Murray

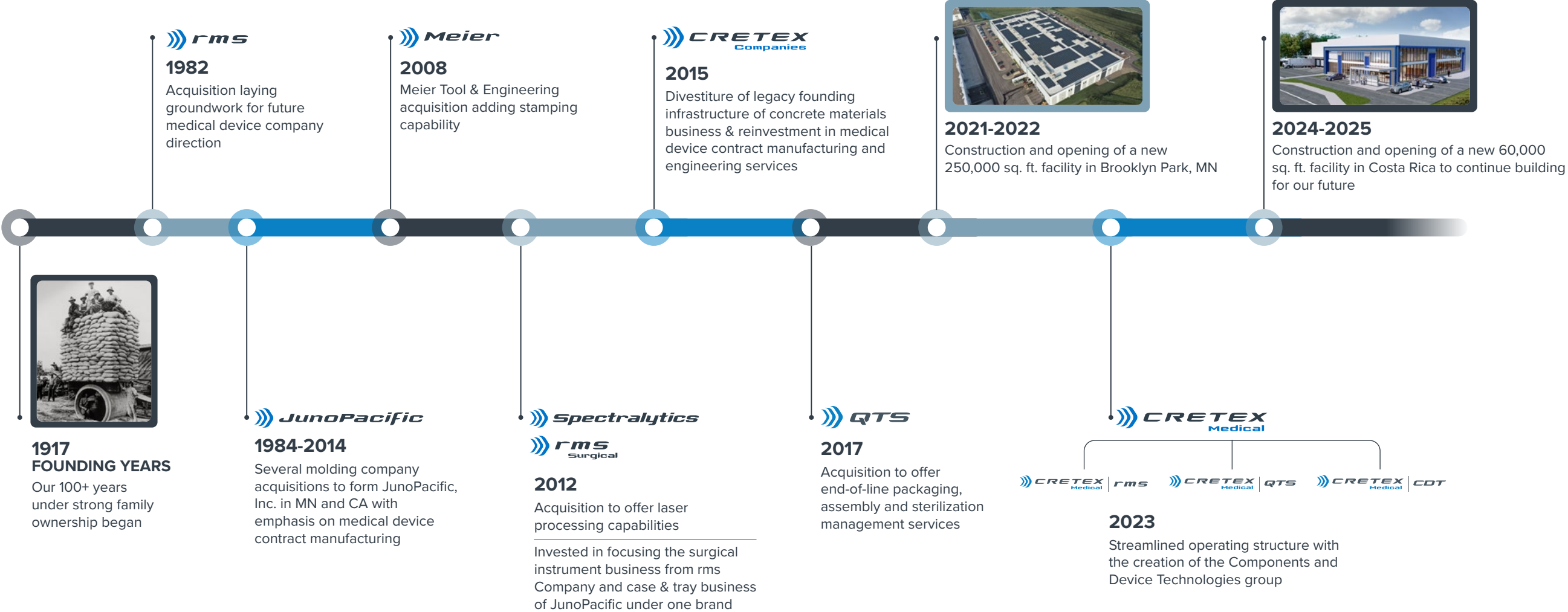


## Committed to Our Founding Ideals

- *Quality products and services at an equitable price*
- *Unparalleled customer experience*
- *Innovative and creative problem-solving*
- *Meaningful work and opportunities for career growth*
- *Positive work culture*
- *Long-term industry partnerships*

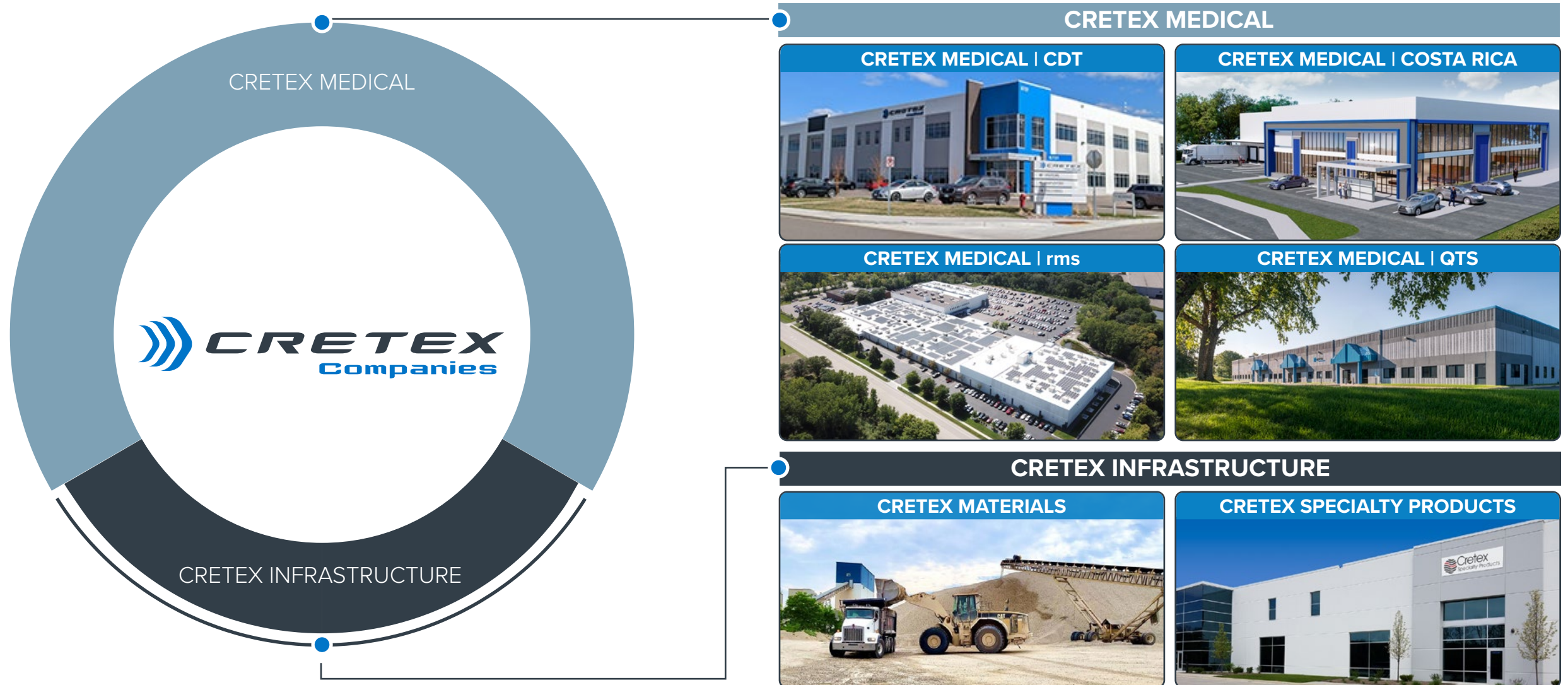
# Cretex at a Glance

## Company History



# Cretex at a Glance

## Organizational Structure



# Cretex at a Glance

## Senior Leadership



**JEFF WOLLERMAN**  
*Chief Executive Officer*



**SCOTT LUNGER**  
*Chief Financial Officer*



**JILL SCHULZ**  
*Chief Human Resources Officer*



**NICK MORRISON**  
*Chief Operating Officer*



**ERIC MURRAY**  
*Chief Information Officer*



*Together, we make a difference...*

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