



**HYPERTHERM
ASSOCIATES®**

SHAPING POSSIBILITY®

2024 CORPORATE CULTURE AND SOCIAL RESPONSIBILITY REPORT

Building a Better Future for All



Community



Environment



Associate
Well-being

Corporate Culture and Social Responsibility at Hypertherm Associates

We believe any long-term sustainable business is value-creating, not just for financial stakeholders, but also for customers, suppliers, Associates, communities, and the environment. The vision of Hypertherm Associates is to be the agent of innovation in industrial cutting operations globally, working together as a company of Associate owners to make positive change, create shared value, and bring out the full potential of every Associate. We believe our triple bottom line management approach, to positively balance our impact on people, profits, and the planet, makes our business stronger for the long term. We engineer technologies, products, services, and solutions that provide superior value to our customers, our Associate owners, and our planet. At Hypertherm Associates we embed this strategic and transformational stewardship approach across all aspects of our work.

Building a Better Future for All

2024 Impact

True to our mission and purpose as an organization, Hypertherm Associates contributed in many ways to **Building a Better Future for All** and made concrete plans to continue this critical work in 2025 and beyond.



Community

35,012 HOURS
Record-breaking Community Service Time (CST) utilization

648 ASSOCIATES
Record number of Associates used 100% of their CST

Closed out the 2022-2024
HOPE FOUNDATION STRATEGIC PLAN

Finalized the new 2025-2027
COMMUNITY IMPACT PLAN



Environment

GREEN LEAF CERTIFICATIONS
21 teams achieved certification last year, 36% of all teams

CARBON DISCLOSURE PROJECT (CDP)
2nd year of participation with improved scores in 8 climate categories

ENERGY USE
Reduced by 11% per sales dollar since the 2019 baseline



Associate Well-being

SAFETY IMPROVEMENT
Total Case Incident Rate (TCIR) of 1.4, down from 1.6 in 2023

INCLUSION AND DIVERSITY
Participation in assessment: 1,034 Associates

NATIONAL RECOVERY FRIENDLY WORKPLACE
Certification attained

Letter from our Leaders

Everything about Hypertherm Associates' strategy is focused on the long term. Our company purpose statement, "Innovating together to build a better future, for all," emphasizes our commitment to engaging all stakeholders for the benefit of our collective future. **Building a Better Future for All** has always been our goal, and in 2024 we took bold steps to make this commitment clear and sustainable.



Aaron Brandt

*President and Chief
Executive Officer*



Jenny Levy

*EVP, People, Community,
& Environment and HOPE
Foundation President*

As an executive team, and in collaboration with our Board of Directors, the triple bottom line way of prioritizing our work was codified in 2024 and built into our Long-range Plan (LRP) and Annual Operating Plan (AOP) goals. **Measurements for our commitments to People, Planet, and Profits** now formalize the progress we have been tracking for years, including:

- Utilization of Community Service Time,
- Team participation in our Green Leaf certification program,
- 2030 Sustainability Goal progress,
- Injury risk reduction,
- Associate engagement and sense of belonging,
- Hours spent on Associate learning, and
- Continuous improvement project completion.

In addition to the formalization of how we measure our triple bottom line progress, our commitment to conducting business in an ethical and honest manner remains steadfast. **We hold ourselves to the highest standards of honesty and fairness,** and we trust Associates to do the right thing, even when it's hard. Each year, all Associates participate in ethics trainings related to their role and receive reminders of the multiple ways to report a concern or ask a question.

To further demonstrate our commitment to Building a Better Future for All, our investments in the implementation or expansion of CSR best practices at our most recently acquired

division, OMAX in WA state, showed significant progress in 2024. Composting was implemented in all of our WA state facilities, and 11 of our teams in WA achieved new Green Leaf certifications based on their efforts to improve the environmental impact of their work. Associates in WA also increased their use of Community Service Time by 13% from 2023 to 2024, justifying the final integration of CST benefits for this group from 16 hours annually to the full 40 hours that the rest of the organization enjoys.

We are always proud to be recognized by partners and experts for our innovative programs and practices. In 2024, we were honored to receive the **Hall of Fame Award from the NH Businesses for Social Responsibility (NHBSR)**. This award recognizes the organization that outperforms all others in their annual Measure What Matters survey, which includes questions on climate and energy, environment, workers, governance, and diversity and inclusion.

Building a Better Future for All is going to take all of us pulling in the same direction toward common goals of service to our communities, protection of our environment and natural resources, and contributions to the well-being of all people. We're doing our part, just as we always have, and have ambitious plans to continue this important work going forward.

Two handwritten signatures in blue ink. The first signature is "Aaron Brandt" and the second is "Jenny Levy".



Community



Building a Better Future for All in the communities where we live and work is an enduring goal for Hypertherm Associates, one that we approach from multiple directions: strategic partnerships to support acute local needs, grants funded through the HOPE Foundation, and the donation of time spent serving non-profit organizations.

Strategic impact

2024 marked the conclusion of the HOPE Foundation's 2022-2024 Strategic Plan, which focused on STEM education, Substance Use Disorder (SUD) prevention and recovery, and Early Childhood education and resilience. We are proud to say that this plan, the work of the HOPE Team, contributions from donors, and partnerships with non-profit organizations made significant progress.

As we brought this plan to a close, the 2025-2027 Community Impact Plan took shape. We continue to implement inclusive grantmaking best practices and utilize the local expertise of our Associates to better understand the genuine needs of their communities.

Listening sessions with more than 55 Associates across teams, locations, and work shifts provided valuable insight into the priorities the HOPE Team should consider.

Based on Associate input and current community trends, the strategic areas of focus for the 2025-2027 Community Impact Plan will be unchanged from the 2022-2024 Strategic Plan. These continue to be high priorities for our communities, and the HOPE Team has established significant momentum and tactics to deepen support for local non-profits in meeting the challenges.

From the inside, out

Many times, **Building a Better Future for All** starts within our own internal community. We know we can have an impact on our communities by first providing resources and information to our Associates.



Hypertherm Associates' status as a Recovery Friendly Workplace benefits Associates who are seeking or maintaining recovery. It also benefits their loved ones and the community as a whole. After more than a decade pioneering Recovery Friendly practices in NH and across the US, we were

humbled to be included in the inaugural group of companies to receive the **National Recovery Friendly Workplace certification**. The certification is provided by the National Recovery Friendly Workplace Institute, an initiative of the Global Recovery Initiatives Foundation.

During Recovery Month, the HOPE Team coordinated two internal initiatives aimed at SUD prevention in our communities.

Drug Take Back Day, in partnership with ALL Together in NH, provided Associates with an on-site opportunity to properly dispose of unneeded prescription medications. The team also set up an immersive experience, called **Hidden in Plain Sight**, to educate Associates who are parents or caregivers on common alcohol and drug paraphernalia so that they might recognize the items if they show up in their home.



The Early Childhood HOPE sub-committee was also very active providing Associates with resources to support them as parents and caregivers. The internal **Parents and Caregivers** intranet content continues to grow as Associates are seeking resources related to youth resilience, parental confidence, and promoting positive childhood experiences.



It's who we are

Our Associates routinely hear from others how remarkable it is that we are so active in supporting our communities. The typical response from our Associates is **"It's just who we are. It's what we do."**

Again in 2024, Associates around the world broke their own record using their Community Service Time (CST). Associates are allotted 40 hours of paid CST annually, and in 2024 they used 55% of the total time available. In addition, **a record 648 Associates used 100% of their CST.**

It's also typical that our Associates will leverage the skills and passions they use in their daily work when doing volunteer projects in the community. During 2024, Associates used their professional expertise for the greater good in a number of ways.

- A group of 10 Engineers designed, coordinated the materials, built, and installed music walls for Early Childhood centers.
- We welcomed students, parents, and coaches to our NH LEED Certified manufacturing facility, where 40 Associates supported a FIRST Lego Robotics regional qualifying competition. Our talented staff were judges, referees, tech support, and award creators, supporting every aspect of the day.

- In the event pictured above, our Associates in Singapore hosted students with autism and other disabilities at our Customer Education Center. The event offered students the chance to engage with Associates to learn about various career opportunities in the workplace setting.
- Associates with aviation experience volunteered to support an exciting STEM program at a local high school. Through a collaboration with an aviation museum, students learned about STEM by building an airplane.





Environmental Sustainability

The better future that we envision will only be possible with a healthy and sustainable environment.

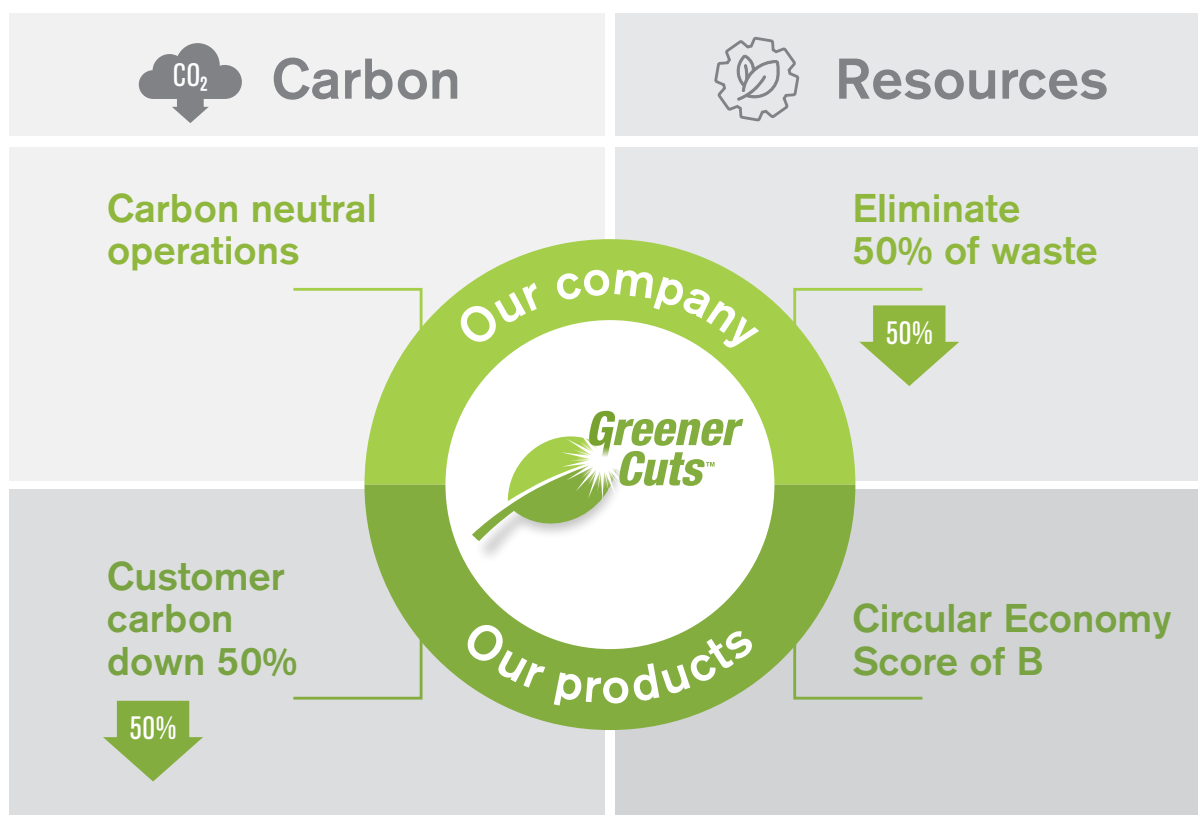
Associates building a greener future together

As we continue to push for progress against our 2030 Sustainability Goals, Associates around the globe keep uncovering improvements to reduce our impact on scope 1, 2, and 3 emissions and overall waste and to increase circularity. Last year, 21 teams achieved a new or renewed Green Leaf Certification. **The improvements they implemented have impacted our collective future** in multiple ways, including:

- Hazardous waste reduction
- Greater efficiency in energy use
- Greenhouse gas reduction by upgrading a solvent parts washer

Setbacks are a natural part of this kind of journey, but our teams remain committed to learning from them to drive stronger outcomes moving forward. In 2024, several human errors and a change at a receiving landfill contributed to an increase in our landfill waste percentage. In response, we've analyzed and error-proofed our processes, strengthened collaboration with vendors, and explored new ways to eliminate waste materials altogether.

2030 Sustainability Goals





Commitment to sustainable infrastructure

When the structures around us are built with sustainability in mind, it becomes even easier for more people to contribute to **Building a Better Future for All**.

Grid-tied Electric Vehicle (EV) chargers have been in place in six of our NH facility parking lots to support EV drivers who would not be able to complete their full commute without charging during the day. This has made it possible for more Associates to make the switch from gas-combustion vehicles to EVs, which reduces the carbon emissions of our organization overall. To continue making progress toward our goal to be carbon neutral by 2030, we began the gradual switch from grid-based charging to solar charging with the **installation of two solar chargers at one of our NH facilities**. The solar EV chargers allow Associates with EVs and plug-in hybrids to achieve zero carbon commuting when possible.

As external validation of our commitments, including our sustainable operations infrastructure, Hypertherm Associates was the proud recipient of the SMC 2024 Sustainability in Automation award. **SMC presents its Sustainability in Automation award** annually to a company that exemplifies responsibility and sustainability in automation through corporate messaging, operations, and additional efforts. Hypertherm Associates strives to raise the bar for eco-factories, eco-products, and eco-operations, and is setting a great example of sustainability in automation for all companies in the industry.



GRI Referenced Environmental data

Energy Consumption (Gigajoules)

302-1

Total Energy Consumption by Year	2019	2022	2023	2024
Total Fuel (Non-Renewable)	26,409	25,265	26,792	28,913
Total Electricity	73,874	75,002	70,972	78,721
Total	100,283	100,267	97,764	107,634
Non-Renewable Fuel Consumption by Year				
Natural Gas	7,941	10,092	9,335	10,283
Liquefied Propane Gas	17,472	15,131	17,400	18,630
Heating Oil	983	0	0	0
Diesel	13	42	57	0
Total	26,409	25,265	26,792	28,913

Emissions (Metric Tons CO₂e)

305-1

Scope 1 Emissions	2019	2022	2023	2024
Heating Fuels	1,482	1,393	1,489	1,605
Fleet	433	327	386	460
Refrigerants	103	294	155	377
Total Scope 1 CO₂e	2,018	2,014	2,030	2,442

305-2

Scope 2 Emissions	2019	2022	2023	2024
Electricity (Purchased) (Location-Based)	5,716	5,450	5,190	5,920
Electricity (Market-Based) (Net CO ₂ e)	2,291	0	0	0

305-3

Scope 3 Emissions	2019	2022	2023	2024
Business Travel	1,194	1,337	1,547	1,493
Commuting	1,663	1,220	1,448	1,359
Outbound Logistics	10,735	8,635	3,824	2,678
Products in Use	486,060	515,583	464,857	435,421
Total Scope 3 CO₂e	499,652	526,775	471,676	440,951

Waste by Disposal Method (Metric Tons)

306-3

Non-Hazardous Waste	2019	2022	2023	2024
Reuse	173	135	132	88
Recycling	2,271	2,745	2,394	2,409
Composting	45	45	63	71
Recovery	21	17	30	12
Landfill	32	100	80	117
Destruction or Treatment	0	10	9	5
Incineration (with energy recovery)	0	4	3.4	11
Incineration (without energy recovery)	0	0	0	0
Total Non-Hazardous	2,542	3,055	2,712	2,712
Hazardous Waste				
Recovery	7	9	5	11
Destruction or Treatment	0	1	0	3
Incineration	15	21	11	0
Landfill	0	0	0	0
Total Hazardous	22	31	16	14
% to landfill	1.24%	3.25%	2.95%	4.27%

Data demonstrates the environmental impact of all global operations and products in use, except for WA state logistics and OMAX products in use. Emission and conversion factors are from the US Environmental Protection Agency and US Energy Information Administration. Greenhouse Gas Protocol methodologies were used to calculate emissions. Gases included are: CO₂, CH₄, N₂O, HFCs, PFCs, and SF₆. Energy and waste data presented in this report are in reference to the Global Reporting Initiative. All waste is taken off-site and disposed of by our waste vendor.



Associate Well-being

It has always been our practice to dedicate meaningful time and resources to the health and growth of our Associate owners, who are the foundation of everything we are able to accomplish as an organization.

Progress toward an injury-free future

2024 brought another year of improved safety, as we **reduced the Total Case Incident Rate (TCIR) from 1.6 in 2023 to 1.4 in 2024**. The improvement is attributed to the continued focus of Leaders and Associates to prioritize safety, which was expanded in 2024 with the implementation of the EH&S Governance Committee. This committee of Leaders in operations discuss their respective safety metrics and risk reduction efforts to share and improve upon best practices to address ergonomics, forklift use expectations, electrical safety, and more.

Fostering stronger mental health

Our Associates and their families are not immune to the stressors and strains that are affecting the mental health of so many. Combine those factors with support systems that are difficult to navigate and the stigmas still keeping people from recognizing they may need mental health support, and far too many of our teammates were feeling like they just didn't know where to turn.

To connect more Associates with support that felt helpful and accessible, we launched a campaign in 2024 to share resources based on how they were describing their situation, rather than by vendor or agency name and description. By flipping the conversation to **start by asking each other “How are you?” in a genuine way and then categorizing the potential needs in practical terms**—such as housing, caregiving, food, grief, substance use, or immediate crisis support—Associates are better able to see where the stress they, their coworker, or their loved ones are experiencing can be addressed.



Building an inclusive workplace

In line with our core value of “Respect for the Individual,” our focus is on **supporting all Associate owners in being able to come to work, be our best selves, do our best work, and be successful together.** This has always been our way of working, and we remain steadfast in our commitment to making this a reality for all Associates.

Our **Inclusion & Diversity Assessment** in 2024, in partnership with the Mars Hill Group, was completed to provide a review of company policies, procedures, and programs and to assess our inclusive culture through interviews with cross-functional Leaders and a comprehensive Associate survey. The assessment identified strengths in our core employment practices, communications, trainings, and community engagement, as well as opportunities to continue clarifying the purpose of Inclusion & Diversity initiatives and development.

At Hypertherm Associates,
we are building a better future
for all. It's who we are.



Award-winning Associates

2024 Hypertherm Associates Community Hero Award



Gina Goodwin



Martha Barron

2024 Gary Gaudette Exemplary Service Award



Evan Smith

2024 Hypertherm Associates Environmental Hero Award



Rich McMillian

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As 100% Associate owners, we are committed to caring for our Associates, our communities, and our environment.
www.hyperthermassociates.com/ownership

The HOPE Foundation partners with nonprofit organizations that strengthen and create sustainable, positive change in the community and environment. The HOPE Foundation does not fund organizations that discriminate based on race, gender, gender identity, sexual orientation, religion, or ethnicity.
www.hyperthermhopecfoundation.com

Environmental stewardship is one of Hypertherm Associates' core values.
www.hyperthermassociates.com/environment

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