



SUSTAINABILITY REPORT

April 2025



Table of Contents

Message from the President & CEO	3
MEC Business Excellence (MBX)	4
Environmental Footprint	5
Health and Safety	6
Talent Attraction and Retention	7
Supply Chain Management	8
Data Privacy and Cybersecurity	9
Business Ethics and Governance	10
Community Engagement	11



RECOGNITION OF OUR WORK

MEC was named the #1 Fabricator in the U.S. by The Fabricator Magazine for the 14th straight year in June 2024.





Message from the President & CEO

At MEC, our commitment to innovation and operational excellence has shaped our reputation as a trusted partner and industry leader for the past 80 years. In 2024, despite a dynamic operating environment, our team’s ability to adapt, collaborate, and execute with purpose reinforced the strength of our *“One MEC. One Mission.”* culture. This unified culture continues to *power our strategic transformation and advance our long-term vision of building a more sustainable, resilient, and successful organization.*

Sustainability remains a core pillar of how we operate—because it is both the right thing to do and a reflection of our values as a company. It is a responsibility we carry not only to our planet, but to our employees, shareholders, customers, and the communities where we live and work.

We entered 2024 with *clearly defined ESG goals, including a 25% reduction in energy, scrap, and water intensity by 2028.* I’m proud to report that we’ve continued to make measurable progress, particularly in our water usage intensity, which has decreased by 22% since 2022. Our progress is driven by the disciplined execution of our MEC Business Excellence (MBX) framework, which embeds sustainability across our operations. In 2024, we completed over 140 kaizen events—*many focused on improving energy efficiency and reducing waste*—and we are scheduled to exceed that pace in 2025.

We also expanded our capabilities through targeted investments and training programs to enhance workforce safety, attract skilled talent, and support professional growth. These initiatives help ensure that MEC is not only a great place to work, but a company *built to thrive through the strength of its people.*

As we look ahead to 2025, we remain focused on building momentum. While the near-term demand environment remains fluid, our commitment to operational discipline, strategic growth, and sustainability has never been stronger. I am confident that the work we are doing today will create lasting value for all our stakeholders in the years to come.

Sincerely,

President & CEO
Mayville Engineering Company, Inc.



Material Sustainability Topics

-  Materials Efficiency
-  Energy Management
-  Employee Health & Safety
-  Talent Acquisition & Retention
-  Data Privacy & Cybersecurity
-  Supply Chain Management

MEC Business Excellence



Announced in November of 2022, MBX is MEC's Lean initiative to drive excellence across the entire organization.

MBX's impact will not only be seen in our financial statements; it will also have many positive impacts on our sustainability initiatives, commitments and goals.

In 2024, MEC completed over 141 Kaizen events, exceeding our goal of 120 events.

MEC has 150 kaizens scheduled in 2025 across all of our facilities. Additional projects are underway to further enhance our MBX initiative, including a 6S program, leader standard work implementation and improving our Advanced Product Quality Planning (APQP) process. Many kaizen events are focused specifically on improving energy efficiency. Certain kaizen events that focused on improving energy efficiency included upgrading our CO2 laser cutting capabilities to fiber lasers at our Heber Springs, AR plant reducing electricity consumption and improving cutting efficiencies, as well as upgrading to energy efficient LED lighting across our plants.



MBX's positive impact on sustainability



Expanding into environmentally sustainable industries such as electric vehicles and renewable energy.



Executing our lean manufacturing operating excellence objectives which will limit our environmental footprint by reducing waste, increasing energy efficiency, and limiting our water usage.



Implementing standard employee health & safety processes that provide consistent best practices across all of our facilities.



Providing best-in-class training for our executives, engineers, and assembly line managers that will positively impact talent acquisition and retention. Areas of focus include lean manufacturing, standard introductory manufacturing training, and health and safety training.

Environmental Footprint



MEC is committed to business practices that protect and benefit the environment, especially practices that relate to energy management and material efficiency. MEC holds the ISO 14001: 2015 certification which is the internationally recognized standard for environmental management system (EMS). As part of this certification, MEC annually evaluates our EMS and continuously improves our environmental performance.

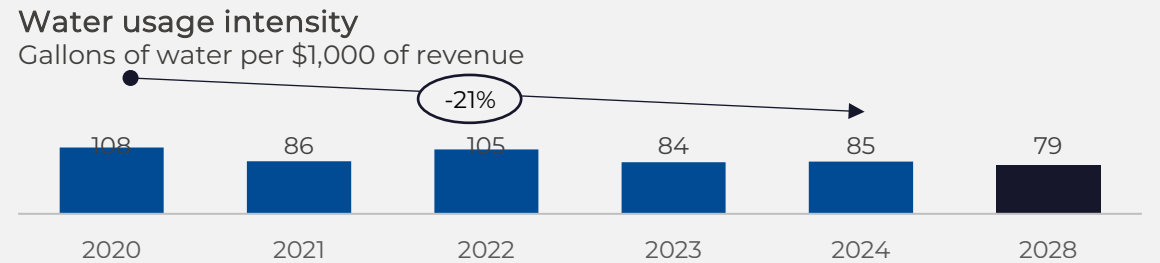
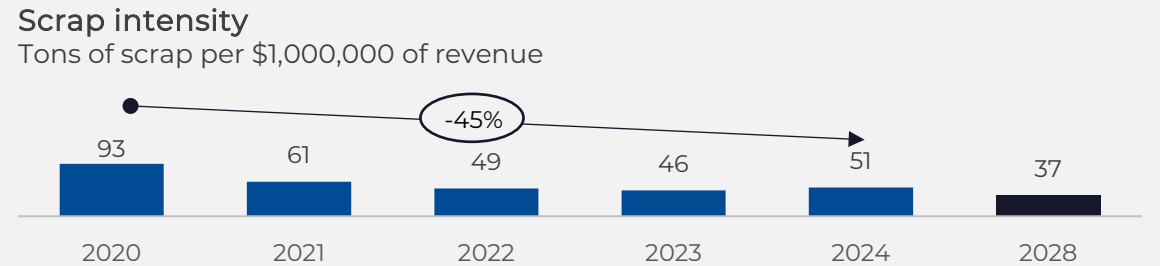
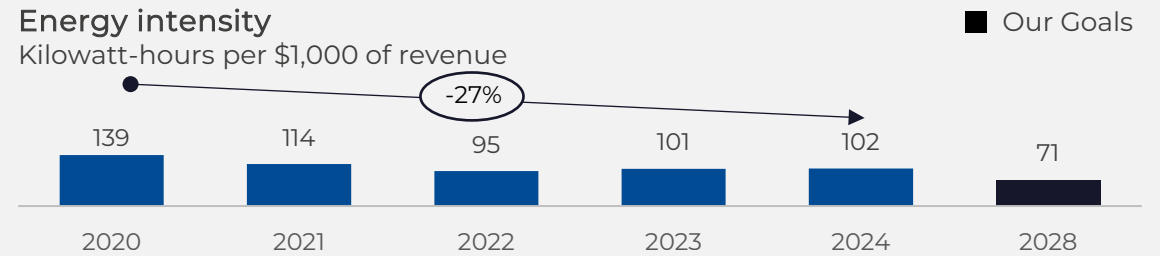
2024 investments and process improvements

- ✔ Completed over 140 Improvement Activities (Kaizen MBX events) that lead to higher productivity & yield across the targeted processes across the organization. Through such process improvements, the consumption pattern of fixed building utilities and services were also improved.
- ✔ Continued implementation of higher efficiency welding power supplies and automated welding equipment.
- ✔ Implemented LED lighting within remaining areas of factories.
- ✔ Replaced HVAC systems with new high-efficiency units.
- ✔ Implemented new faster Laser cutting machines with connected automatic material storage and retrieval systems leading to reduced electrical consumption per unit of work done.
- ✔ Undertook an evaluation towards implementation of Variable Frequency Drives on electric motors at targeted applications to improve electric utilization by modulating incoming power against load.

*MEC acquired Mid-States Aluminum (MSA) on July 1, 2023. To present comparable metrics, MEC included the full year energy, scrap and water usage intensity from MSA and revised our 2028 goals to include a 20% reduction in each category relating to MSA baseline amounts.

Our Goals

To cement our environmental commitment, MEC set clear goals in 2022 to achieve a 25% reduction in our energy, scrap and water intensity by 2028*



Health and Safety



The health and safety of our employees is critical to value creation at MEC, and *we are committed to prioritizing our employees' health in our facilities and communities.*

In 2024, MEC observed a slight decrease in the Total Case Incident Rate (TCIR) and a significant decrease in Lost Time Incident Rate (LTIR) which means that we have seen not only a decrease in injuries, but also a substantial decrease in severity.

MEC has established a Safety Management System (SMS) along with a comprehensive way to measure our performance against the SMS. The key elements of our SMS are:

Inspire: We involve our employees in all aspects of safety.

Lead: Leaders are expected and held accountable to lead safety in all that they do.

Analyze: We have various ways we continuously analyze and improve our work environment to ensure continued risk reduction and compliance.

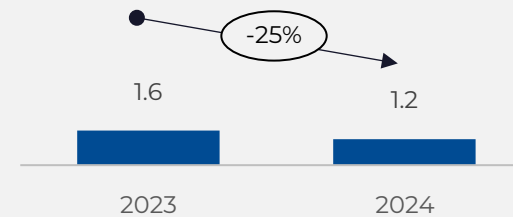
Educate: We continuously enhance our employees' knowledge of safety requirements and best practices.

Recognize: We recognize the great work our employees do to reduce safety risk to help maintain a safe working environment.

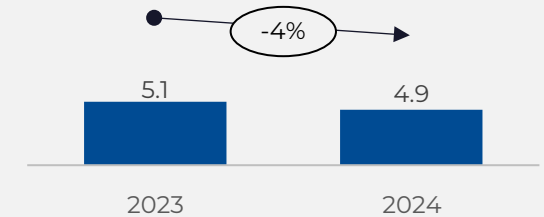
Looking forward to 2025, we will continue to mature in our Safety Management System and drive the implementation of key projects that will continue to positively affect the safety of our work environment.

MEC's Safety Metrics Monitoring

LTIR
Lost Time Incident Rate



TCIR
Total Case Incident Rate



Fabricators & Manufacturers Association International®

Facilities Receiving FMA Awards

- Vanderbilt (North Plant), MI
- Greenville, MS
- Keller Warehouse (Defiance, OH)

In 2024, the Fabricators & Manufacturers Association (FMA) awarded three MEC locations (listed above) as part of their annual Safety Awards for safety performance exceeding the industry average. In addition, Vanderbilt North received the Safety Award of Honor which is given to the location that is most improved!

Talent Attraction and Retention



As the largest domestic steel fabricator,

- ✓ We are heavily reliant on a stable pipeline of skilled labor and an experienced talent pool.
- ✓ We continuously evaluate our Human Resources strategy and programs to attract and retain a committed and talented workforce.
- ✓ Going forward, **we will continue to invest in development opportunities, especially those opportunities that enable the deployment of MBX.**



Compensation and Benefits:

- In 2023, MEC added a High Deductible Healthcare Plan Option, allowing employees to participate in Health Savings Accounts.
- In 2024, MEC launched QuadMed Everywhere – a virtual health center with a dedicated primary care provider every time you schedule a virtual visit – regardless of where you are.



Training:

As part of the MBX program, MEC uses the following training programs:

- Development Dimensions International (DDI) to develop leadership skills for front-line leaders and managers.
- Training Within Industry (TWI) to efficiently train employees with limited manufacturing experience; and,
- Gemba Academy for training in continuous improvement, problem-solving, value stream mapping, and daily management.



Talent Attraction & Retention:

- We partner with nearly 20 high schools and technical colleges to promote working at MEC and introducing students to a career in manufacturing. We also provide state approved apprenticeships in the following trades: welding, metal forming and tooling, and die casting. These practices continue to provide MEC with the best talent for our future.
- The Company is committed to improving talent retention and targets an annual turnover rate at or below industry average.



New Headquarters:

MEC moved to a new corporate headquarters located in the Metro Milwaukee area in March 2024. This initiative provides opportunities to attract talent and hire individuals from the greater Milwaukee area.

Supply Chain Management

Our supply chain management is critical to value creation at MEC, and it is also critical to our commitment to the environment, human rights and sustainability.

1

Supplier Code of Conduct

We have established quality requirements and a Supplier Code of Conduct to communicate **our elevated legal and ethical standards** to all our partners and suppliers including labor practices such as child labor and human trafficking, ethics, compliance with environmental, health and safety, and discrimination laws and regulations. We evaluate our Supplier Code of Conduct and supply chain requirements regularly to ensure compliance with all applicable laws and regulations.

2

Material Sourcing

93.6% of our materials are sourced from domestic suppliers in the United States. We continually reevaluate our supply chain to **ensure minimal disruptions** and that MEC operates a supply chain that upholds the **highest standard of human rights**.



Data Privacy and Cybersecurity



2024 Data Privacy and Cybersecurity Highlights

- ✔ Assessed our employees' security awareness, achieving 99.5% employee participation and scoring better than industry average in phishing prevention and security awareness proficiency.
- ✔ Continuously enhanced the security awareness program to educate users on emerging threats and promote best practices for end-user protection.
- ✔ Developed and integrated processes and technologies to ensure MEC compliance with applicable security regulations.



At MEC, we take a comprehensive and multifaceted approach to protect information in our care from customers, suppliers and employees.

We use **technical and physical safeguards** as well as **multiple levels of employee training to protect digital information**. We have established a wide range of data security protections and maintain a data risk management strategy that includes monitoring emerging security threats and assessing appropriate responsive measures.



Our cybersecurity risk management program aligns with the National Institute of Standards and Technology (NIST) framework, which organizes cybersecurity risks into five categories: identify, protect, detect, respond and recover.

We continuously monitor and evaluate our cybersecurity position and performance through **regular vulnerability scans, penetration tests and threat intelligence feeds**. We validate compliance with our internal data security controls using security monitoring software and audits performed internally or with 3rd party partners.



Oversight of cybersecurity risk is maintained by the Company's Board of Directors and supported by the Audit Committee of our Board of Directors (Audit Committee).

The Audit Committee **sets expectations, ensures accountability and reviews management's assessment of the effectiveness of our cybersecurity controls**, including policies and procedures to address our cyber risks and overseeing the Company's cybersecurity disclosures.

Business Ethics and Governance

➤ Our values, integrity, respect and teamwork combined with our commitment to agility, customer focus and collaboration drives how we do business. **We are dedicated to operating under the highest standards of integrity, honesty and ethical conduct.** Our Board of Directors' commitment to good governance is reflected in our Corporate Governance Guidelines which are reviewed annually by the Nominating and Corporate Governance Committee.

➤ Expectations for our employees and employee shareholders are laid out in our Code of Conduct. Key topics in the Code of Conduct include conflict of interest and commitment, business ethics, confidentiality, whistle-blower protection, and others.

➤ The Board has established three standing committees: Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee. The responsibilities of each committee are contained in MEC's bylaws and charters approved by the Board.



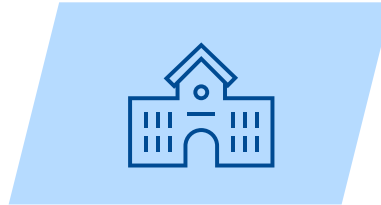
Community Engagement

We understand that our continued success is inseparably linked to the continued success of the communities we live and work in. At MEC, ***we are passionate about serving our communities as good corporate citizens.*** Our community initiatives, including our volunteer and disaster relief efforts, are designed to enhance employee engagement and retention.

In 2024, we launched a partnership with the American Cancer Society.



This year, we partnered with over 30 organizations to empower communities.



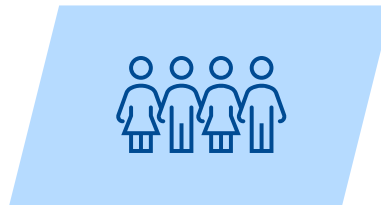
Education

- Mayville High School
- Rosebud High School Robotics Team
- Horicon High School
- Bedford County Technical Center
- School District of Greenwood



Community Support

- Child Abuse Council of Muskegon County
- Down Syndrome Association of Wisconsin
- Margies Haven House
- Heber Springs Middle School Food Bank
- Baggin' for a Cure



Youth Programs

- Ayersville Athletic Department
- Playground movement - partnered with Global Youth Service Day
- Defiance Baseball Association
- Tinora Baseball Association
- Byron Township Little League