



**ENERPAC** 

Investing in Sustainable  
Solutions



# Promoting Environmental Sustainability

**Our commitment to energy efficiency and reduced environmental impacts is embraced by our employees and evident in the products and services we provide.**

We are committed to running efficient operations that minimize our impact on the environment. All of our 28 facilities, including 8 manufacturing operations, and 2,000 plus employees embrace continuous improvement as part of our culture of pursuing efficiencies and delivering cost-effective products for our customers.

## **Designing for sustainability**

Energy efficiency is embedded in our New Product Development (NPD) philosophy and practices. Our Centers of Excellence challenge themselves to regularly deliver innovative solutions tailored to the exacting demands of our customers for more energy efficient, electric and sustainable products. Our NPD revenue was 7% in Fiscal 2019, and 11% in Fiscal 2020.

## **Supporting the shift to renewable energy**

The global transition to cleaner energy has helped drive a shift in customer demand to renewable wind energy, and in response, we have developed specialized tools to build,

maintain and decommission wind turbines quickly and efficiently. For example, our wind tower alignment tools assist operators by safely bringing tower sections into alignment during the erection process.

Another example of how we are supporting alternative energy sources is our first battery-powered HLT lifting beam designed for Vestas, the wind turbine manufacturer with the largest installed base of turbines globally. This beam will help customers tap stronger wind resources that exist at greater heights, by allowing the turbine housings to be lifted in multiple pieces and reducing weight constraints on taller wind towers. We will follow with a range of trolley systems that are also battery-powered, replacing previous diesel power-packs.

Other product innovations that reflect our commitment to energy efficiency and reduced environmental impacts include:

- Battery powered cutters, pumps and other tools (replacing gas and gas generators)
- Smart controls for reduced heat generation during pump operation
- High efficiency brushless motors
- Tools that shorten working time (leading to reduced power consumption)
- Recyclable materials for new pump designs
- Size and weight reductions on new designs (lowering material consumption)
- Developing new circuit boards to be REACH and RoHS compliant

Our joint integrity services also contribute to worker safety and the protection of the environment by providing engineering consultancy and on-site quality assurance services to help our customers achieve leak-free plant and pipeline operations. As a leader in this field for several decades, we share our knowledge and expertise with the wider industry through our contributions to various committees and boards for different standard setting bodies, such as the ASME PCC-1 subcommittee, the IMechE Pressure Systems Group, the UK Oil & Gas Technology Group and the Energy Industries Council.





### Protecting the environment

We have implemented an environmental management system to monitor and manage the environmental impacts of our operations, ensure compliance with relevant regulations and continuously execute on opportunities to reduce waste. Our monthly executive-level Management Business Review monitors our environmental, health and safety performance and environmental compliance, with key performance indicators also reviewed regularly with our Board of Directors. We verify performance through internal and external environmental audits. We conducted seven internal Environmental, Health and Safety audits in 2019 and aim to assess all manufacturing and service locations at least every three years. We have annual external audits conducted at our ISO 14001 certified locations.

In 2018, we rolled out a new global energy reporting program to measure electricity and natural gas consumption to establish a baseline of site- and company-level performance at the largest energy consuming locations and implement energy-reduction programs such as lighting efficiency retrofits and other measures.

FY 2020	
Facilities energy use (GJ)	77,447
of which, electricity (GJ)	46,171

Three of our four largest manufacturing facilities are ISO 14001 certified

Our site-level operations managers are in charge of implementing environmental programs, establishing objectives and providing training to ensure safety and compliance at their facilities. All new employees receive site and job specific training, plus all employees receive on-going training annually. To stimulate continual improvements, all environmental incidents including spills and other releases are recorded in an online EHS management application. Audit findings are recorded in the application and include

a robust root cause analysis and corrective and preventive action process for all non-conformances. All environmental releases, non-conformances, enforcement actions and notice of violations are reported to the senior and executive management teams. All issues are tracked and followed-up until resolved.

# Employee Safety and Engagement

**We strive to attract and retain the highest quality team members with competitive compensation and benefits, opportunities for personal growth and development, safe working conditions and a culture that emphasizes fair and respectful treatment.**

We know that our people drive our success. We employ over 2,000 people across 22 countries. We strive to attract and retain the highest quality team members with competitive compensation and benefits, opportunities for personal growth and development, safe working conditions and a culture that emphasizes fair and respectful treatment.

## **Safety**

Safety is a top priority. It is deeply embedded in Enerpac's culture, and HSSEQ is fully embraced by all leaders in our organization. We strive to achieve the highest health, safety, security, environmental, and quality standards for our products, services and solutions. We are committed to achieving the Goal of Zero harm to employees, customers and end users of our products. Our safety performance for the past two years at our operations is reflected in the following key metrics:



FY2020	
TRIR*	0.21
LTIR**	0.11
NMFR***	1.4
Fatalities	0

(SASB: Employee Health & Safety, RT-IG-320a.1)

\* The number of work-related injuries per 100 full-time workers during a one-year period

\*\*The number of work-related injuries requiring days away from work per 100 full-time workers during a one-year period

\*\*\*The number of work-related injury near misses per 100 full-time workers during a one-year period

### Employees

We engage and develop our employees and reward them for success. Over 95% of our employees participate in an annual bonus plan, which is based on company financial performance and individual objectives. All employees receive an annual review, which is a component of our intended process of providing continuous development feedback and implementing personal development plans.

We offer competitive compensation and benefits, tailored to local markets. In the U.S., full-time employees are eligible for benefits including healthcare, 401(k) retirement plan (93% average participation in Fiscal 2020), Employee Assistance Program, life and disability insurance and up to 12 weeks of maternity leave. We offer tuition reimbursement of up to \$3,500 for undergraduate and \$5,000 for graduate programs for all U.S. full-time employees and \$1,000 for part-time employees who work more than 20 hours per month. We offer flexible working hours to all employees. All U.S., U.K. and Netherlands employees are eligible to participate in our Employee

Stock Ownership Plan to buy company shares at a discount.

The Enerpac Academy is our in-house training program. It offers Enerpac employees, end users and the staff of our distributors the opportunity to be trained in product offering, use, and maintenance of high-pressure hydraulic tools. The Enerpac Academy training centers are located in Ede (The Netherlands); Columbus, Wisconsin (USA); Singapore; Sydney (Australia) and Hosur (India).

We are committed to promoting diversity and inclusion in our workplace. At the end of 2020, our executive committee was 20% (1) female and 20% (1) minority individuals; 16% (14) of Directors and above employees were women. All employees take part in anti-discrimination and anti-harassment training regularly as part of our compliance training. Managers receive supplemental training on how to address any issues or complaints.

### Benefits available globally to full-time employees

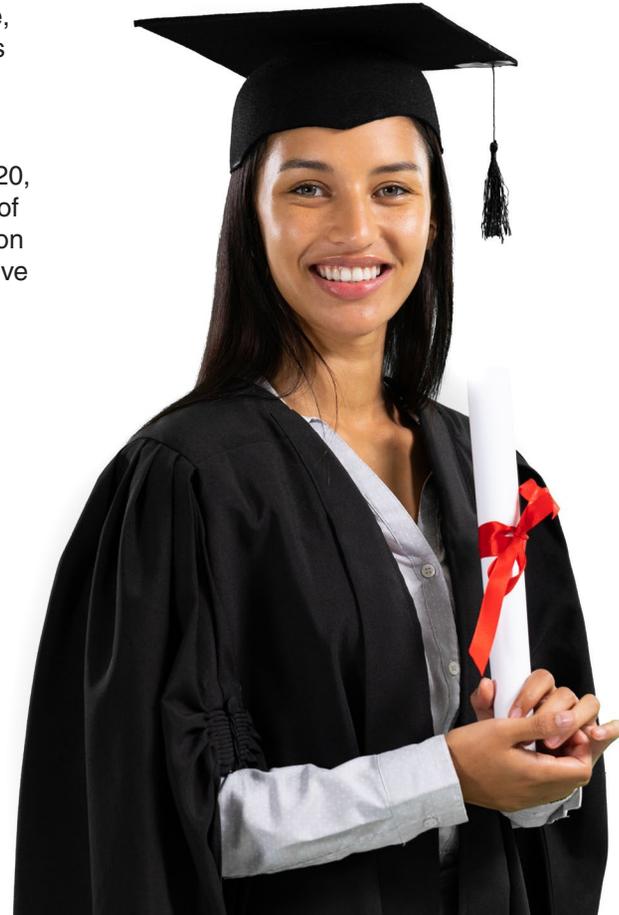
ETG Scholarship - annual awards of \$500 - \$2500 for college expenses

Annual bonus program

Disability - STD, LTD

Healthcare

- US: medical, dental, vision
- Supplemental social healthcare in select international locations
- Life and AD&D Insurance - up to 2X salary
- Paid time off - holidays, vacation



# Integrity

**We are committed to acting with honesty and integrity in everything we do.  
We take the reputation of our products and our company seriously.**

## **Commitment to quality**

Rigorous product quality, safety and reliability is a top priority at Enerpac as set out in our Quality Management System. All our global manufacturing facilities are certified to the ISO 9001 quality management standard. We implement our standards with thorough product and service quality, quality performance testing and manufacturing monitoring procedures.

Our quality program includes regular product testing and detailed monitoring of both manufacturing and customer reported issues. We measure and manage internal and external defect rates, with issues analyzed for root cause and corrective actions tracked to closure. Employees receive regular product safety training at our Enerpac Academy, which is also open to customers to attend.

We are constantly focused on product safety and design our products using an Advanced Product Quality Planning process (APQP). We utilize tools such as the Failure Mode and Effects Analysis (FMEA) to discover potential failures early in our design process. We follow this up with regular internal and external process audits to ensure our processes are performing to the expectations of our quality management system.



## **Oversight and compliance**

Our Enerpac Code of Conduct and Anticorruption and Antibribery Policy, among other policies issued to ensure we work and act according to our corporate values, establish a framework to consistently apply our high ethical standards to all global business relationships. We are committed to promoting a work environment and atmosphere that is conducive to individual and Company success and integrity.

Our management Executive Committee oversees our compliance, business ethics and incident reporting programs, with our legal and compliance functions providing leadership for implementation and enforcement activities. The Board provides additional and regular oversight through its Audit Committee.

We have implemented, and continuously strengthen, reporting procedures, including a Compliance and Values Hotline administered by a third-party provider. The Hotline offers anonymous, cost-free, 24/7 reporting of any ethical concern in multiple languages. Contact information for the Hotline is broadly available to our employees and business partners, including through our Code of Conduct, company intranet, Supplier Code of Conduct and Hotline posters at all major company locations. All reported incidents are investigated until resolved and corrective actions are tracked. In 2020, the General Counsel's office received and investigated six concerns reported via various channels.

All full-time and part-time employees and directly compensated contractors participate in mandatory annual training on compliance topics addressed in the Code of Conduct. The Company's training program is offered in several languages and requires completion of two compliance courses (as assigned by the legal department) every two months as part of an established three-year curriculum.

We seek to ensure our business partners also share our high standards and apply those standards through our Supplier Code of Conduct. The Supplier Code sets out our requirements for compliance with anti-corruption, health and safety, and anti-discrimination laws. It also requires compliance with a range of labor and employment matters, including minimum wage, maximum hours, and freedom of association requirements as well as prohibitions on child and forced labor.

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