



HELPING THE WORLD BE A BETTER PLACE

2022 ESG ANNUAL REPORT





COMMITTED TO A BETTER WAY FOR THE BENEFIT OF OUR
STAKEHOLDERS, COMMUNITIES AND ENVIRONMENT.

ABOUT CVG

At CVG, we deliver solutions to complex design, engineering and manufacturing problems across a range of global industries by innovating, continuously adding value, and treating our customer's success as if it were our own.

OUR VISION

Be a globally preferred engineering and manufacturing partner that strategically adapts to a changing world, and continuously improves upon our products, processes, and the lives of our people and communities, all while maintaining unbending integrity.

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A MESSAGE FROM OUR PRESIDENT AND CEO

ESG is much more than environmental, social and governance. It is about building a better company for the good of everyone. Creating better outcomes for our employees, investors, and the planet is something we can all rally around.

At CVG, we believe that we can influence the direction of the world if we set our minds to it. From our customer interactions, to the products and services we provide and people we employ, our everyday actions can have a big impact.

Our ESG performance helps us do just that.

When we do the right thing, the results speak for themselves. We win more and have better outcomes. And while doing it the right way is not always the easy way, we believe that it makes our company, customers, suppliers and communities better, stronger and happier in the long run.

By remaining steadfast to ESG, we create a more efficient company for the benefit of our shareholders and the planet. At the corporate level, ESG is integrated into our strategy, vision and core values. Beyond that, we are working to integrate strong ESG principles into everything we do. You will see that in the ESG focus areas that this report is built upon.

It's an exciting time at CVG. We look forward to what lies ahead and hope you'll join us on the journey.

A handwritten signature in black ink that reads "Harold Bevis".

Harold Bevis
President and CEO

OUR ESG FOCUS AREAS

As we move forward with our ESG initiatives, we are focusing our efforts on three key areas:

THE ENVIRONMENT

Maximizing our positive impact on the environment and reducing waste across the organization

SOCIAL IMPACT

Increasing diversity and community involvement, and ensuring all people are respected and included

GOVERNANCE

Ensuring ethical business practices for all internal and external stakeholders



OUR CORE VALUES

As we grow and evolve, CVG is guided by these four principles:

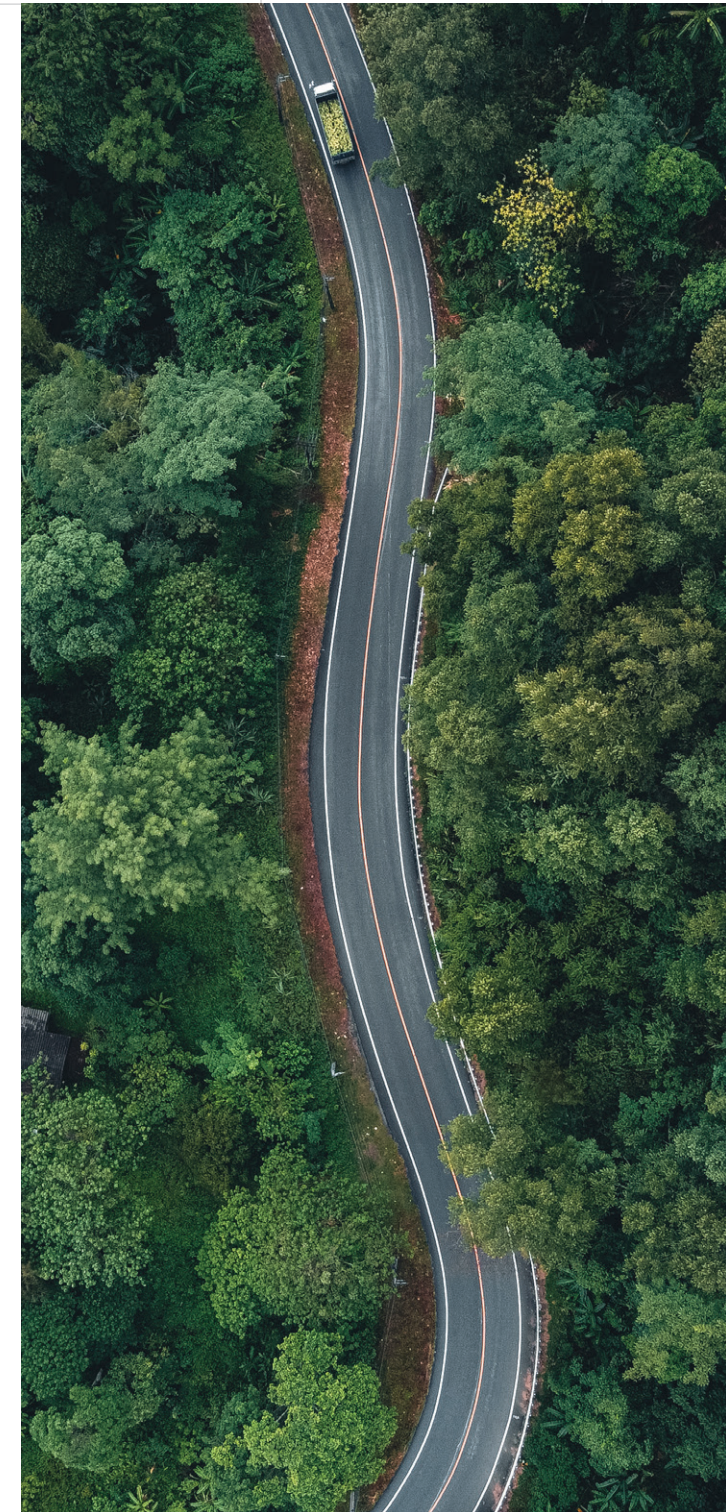
- 1 Make the world a better place through our products and actions**

All of us know that we can influence the direction of the world if we set our minds to it. At CVG we are on a mission to improve the world around us through all that we do every day.
- 2 Lead a diverse and inclusive company**

We are a company and spirit of many cultures, races, religions and beliefs. We will strive to lead by example in our workforce and leadership composition.
- 3 Have our results speak for themselves, hold each other accountable, win and make money**

We are committed to financial success and reinvestment for future CVG leadership. We have a company that is needed, has a strong foundation, and we will deliver the best short-term and long-term results we can.
- 4 Have fun, be truthful with each other, enjoy the journey**

Winning and succeeding and delivering a global set of promises takes transparency amongst ourselves, commitment to being the best, and helping each other get there. It may be hard work, but we enjoy our business and have fun doing it. We live balanced lives and give back.



OUR BRANDS, PRODUCTS AND CAPABILITIES:

Solving the industry's toughest design and manufacturing problems.

VEHICLE SOLUTIONS

AFTERMARKET PRODUCTS

- **AdvancTEK** – Creating value in plastics manufacturing through injection molding, RIM, compression molding, and thermoforming solutions
- **FinishTEK** – Providing high-quality finishes for painting and hydro-graphic applications

- **National Seating** – Premier seating solution for North American motor coach, school bus, and truck applications
- **Bostrom Seating** – Specialists in comfort and innovation since 1935, offering a range of stylish seating options
- **KAB Seating** – Manufacturing and supplying comfortable, practical work seats for a variety of industrial vehicles
- **Stratos Seating** – Australia's leading supplier of automotive aftermarket and industrial seating, light truck and 4WD suspension seating, and specialized seating

- **Moto Mirror** – Known for decades as the premier mirror solution for trucks
- **Sprague Devices** – Application-specific windshield wiper and washer systems for the commercial vehicle market
- **RoadWatch** – Road surface temperature sensors that use state-of-the-art measuring technology

OUR BRANDS, PRODUCTS AND CAPABILITIES:

(CONTINUED)

Electrical design, engineering and manufacturing across the product development life cycle.

ELECTRICAL SYSTEMS

INDUSTRIAL AUTOMATION

Wire Harness and Cable Assemblies

- Electrification solutions for both internal combustion engine vehicles and electric vehicles
- High and low voltage
- Military connector cables, point-to-point, armored, ribbon, telecom, power and fiber optic cables with varying degrees of complexity

Control Panels

- UL 508A Certified
- Industrial applications, multi-door, full-rack assembly, junction boxes, switch boxes, pneumatic and test panels

Electro-mechanical Assemblies

- Custom electro-mechanical components, assemblies and integrated systems
- Specialization in military box builds, mechatronic systems, sub-assemblies, automation systems, control technology, power distribution and junction boxes
- Upper transitions and belt drives, pneumatics, palletizing and crating solutions

AT A GLANCE

39

Locations

10

Countries
where we have
operations

~8,000

Employees worldwide

\$981M

FY 2022 sales

EMBEDDING ESG INTO CVG PRODUCTS AND SOLUTIONS

When we consider the impact of our decisions on ESG, we help our customers achieve their own goals and objectives.

For example, by applying our extensive design, manufacturing and assembly experience to increasingly complex products, CVG is quickly becoming the supplier of choice for electrical systems in vehicles—providing our customers with a path toward lower emissions.

We are leveraging this position internationally and providing a competitive advantage to customers across the globe.

A focus on the future

As the world moves toward greener technologies and relies more heavily upon automated systems, we are prepared - focusing on innovation and ready for what comes next. We continue to invest in technologies that will shape the future and have a growing portfolio of clients that includes some of the world's most respected brands across industries.

Global Network of R&D Centers

- Graphics - Dalton, GA
- Trim - Concord, NC
- Plastics - Charlotte, NC
- Structures - New Albany, OH
- Seating - Shanghai, China
- Automation - Elkridge, MD
- Wipers - Michigan City, IN
- Electrical - Phoenix, AZ



NEW IN 2022

The new Electrical Center for Engineering and Innovation

We hope to not only impact the world's largest electric and autonomous vehicle makers, but also the lives of millions of people. The New Electrical Center for Engineering Innovation, located in Phoenix, Arizona, is helping to make this possible as the prototyping and advanced engineering hub for CVG's electrical systems customers. In this new R&D facility, we are developing and commercializing technologies and intellectual property, while de-risking and accelerating the transfer of CVG's technologies into the EV commercial space.

ENVIRONMENTAL

Committed to reducing our carbon footprint by 50% by 2032

**WE ARE ALL STEWARDS OF OUR PLANET AND THEREFORE HAVE
A SHARED RESPONSIBILITY TO PROTECT IT.**



OUR COMMITMENT TO THE CLIMATE

We have a shared responsibility to help protect the planet. CVG is committed to maximizing our positive impact on the environment by reducing our carbon footprint and minimizing waste across our organization.

Working with energy partners

In 2022, we partnered with the U.S. Department of Energy's (DOE) Better Plants Program, which works with leading manufacturers to boost their efficiency, resilience, and economic competitiveness through making improvements in energy efficiency.

Through Better Plants, partners in the program voluntarily set a goal to reduce energy intensity, typically by 25% over a 10-year period, across all U.S. operations.

In 2023, we are extending our sustainability efforts across our global footprint to achieve a 50% reduction in greenhouse gas emissions by 2032. As part of this effort, we are partnering with Prudential Energy to identify areas for specific mitigating actions.

Securing a baseline

We diligently work to better understand how we can decrease our impact on the environment.

That includes determining factory consumption benchmarks, conducting audits for each of our facilities, becoming ISO14001 certified, and implementing ISO 26000 guidelines.

ISO14001 certification is the international standard that sets out the criteria for an effective environmental management system (EMS), mapping out a framework that a company or organization can follow to be effective. Most of our plants globally are already ISO14001 certified.

ISO 26000 is the international standard developed to help organizations effectively assess and address social responsibilities that are relevant and significant to their mission and vision; operations and processes; customers, employees, communities, and other stakeholders; and environmental impact.

At CVG, we are committed to reducing our carbon footprint by 50% in 10 years.



Taking action today

CVG's goal for the year ahead is to build upon the work we have already started, by implementing a comprehensive consumption reduction plan. Meeting this goal includes:

- Setting annual targets for each of our facilities.
- Formulating a project plan for each site with comprehensive tracking and progress reporting.
- Identifying a team of Energy Champions at each location to lead the change.
- Implementing recommendations from electrical audits.
- Refining raw material procurement.
- Focusing growth efforts on sustainable industries such as electric vehicles, renewable energy and automation.

While CVG solidifies our plan for the future, we are simultaneously taking the first steps toward reaching our 10 year goal. This includes procuring and installing more efficient energy conversion devices, tools, machinery and HVAC, utilizing renewable sources of energy, and enforcing energy-saving best practices at each of our locations.

All around efficiency

We believe what is good for the planet is also good for our shareholders.

That is why we are taking a 360° approach to corporate responsibility by engaging with partners that help us decrease our carbon footprint without diluting our value.

This will be accomplished, in part, through strategic sourcing and procurement, risk management, audits, rebate and credit procurement, and technology-backed volatility reduction measures.



Accountability

Working with partners and constituents, CVG is creating actionable solutions along with customized strategies to achieve energy cost reduction, carbon footprint reduction and meet sustainability goals.

Our focused energy management process includes strategies for carbon offsets, data driven guidance in determining on-site electrical power reduction projects, EV, and renewable natural gas options. To create accountability, we will measure our carbon footprint reduction progress and efficiency upgrades through an enterprise dashboard.

SOCIAL

EVERYONE DESERVES TO BE HAPPY WHERE THEY WORK, APPRECIATED FOR WHAT THEY BRING TO THEIR TEAM AND ORGANIZATION, AND UNDERSTAND HOW THEY CONTRIBUTE TO THE BIGGER PICTURE.



KEEPING OUR PEOPLE SAFE.

We are very serious when it comes to safety. We have put a lot of emphasis on keeping our people safe and it has paid off.

Keeping our people safe

Today we are a safety leader with an incident rate of 0.052%. Many of our locations have a “Zero Accidents” record.

We have implemented an executive-level cross-functional response team to ensure business continuity and a rapid response to changing conditions like those we faced during the pandemic and the war in Ukraine. This dynamic group of leaders is responsible for developing and enforcing action plans to address each situation as quickly as possible and seek to ensure the safety of our employees and business operations. We will continue to provide updates as the situation warrants.

ZERO

Accidents at multiple plants for over a year.

0.5

Industry-leading
TCIR Safety
Incident Rate



SLAVA UKRAINI

Following the Russian invasion of Ukraine, CVG acted immediately and continuously to protect our employees and customers.

Slava Ukraini

Prior to the Russian invasion of Ukraine, there were nearly 1,200 CVG employees working in L'viv, a city near the Polish border in Ukraine.

Despite having all eligible male employees called into military service, CVG reestablished a team of more than 1,000 mostly female employees in the facility who were dedicated to staying in Ukraine to help maintain their communities and country.

The CVG 35

To avoid delays in production and keep our supply chain moving, 35 brave women traveled from Ukraine through Poland to help establish new facilities in the Czech Republic, despite not speaking the Czech language or knowing the fate of their homes.

CVG provided a moving package, apartments and furnishings to this core group of Ukrainian women. Thanks to them, a large CVG support team, and the expedient movement of equipment and raw materials, our customers experienced minimal delays and the Czech facilities are thriving.

Rallying behind Ukraine

In response to the senseless invasion, our teams around the world rallied - raising money for the families affected, offering assistance, and sending words of encouragement.

CVG took the following actions:

- All employees paid, even if unable to work.
- Overtime wages provided for all employees who went to work.
- All employees were issued a spot bonus while the facility was closed.
- The bomb shelter near our L'viv facility was upgraded with amenities to house the team during air sirens.
- Work schedules modified to accommodate the needs of employees and their families.
- Workstation modifications are available for injured employees wishing to return to work.
- Assistance was provided for any employee who wished to move to or from Ukraine.
- All sales and shipments to customers in Russia and Belarus were halted.
- Backup electrical generator and water supply established.



Our sympathies go out to all of those impacted by the Russian-Ukrainian war. We expect to continue our commitment to our employees in L'viv as we all long for a resolution.



STRENGTH IN DIVERSITY

We are committed to building an inclusive community diverse in age, race, ethnicity, religion, gender identity, sexual orientation and more, that celebrates different cultures, backgrounds and viewpoints.

Striving for Diversity

At CVG, we are facing diversity, equity and inclusion head-on. That means celebrating the areas where we are succeeding, and identifying the areas that still need work.

Reasons to celebrate:

- With facilities located around the world, CVG has a wide range of diverse employees who represent the communities in which they live and work.
- While the World Manufacturing Foundation reports that women only make up about 30% of the workforce in the manufacturing industry, at CVG, 48% of our global employees are women.
- We are involved in organizations such as Women In Manufacturing and the National Minority Supplier Development Council.

Closing the Gap

One of our primary goals is to create strategy-based solutions to improve representation of minorities across our organization.

We are actively taking steps such as:

- Reducing implicit bias and increasing inclusion in all communication.
- Conducting regular round tables with minority employees to understand and eliminate barriers to daily work and job advancement.
- Creating workplace policies that better accommodate families.
- Maintaining and promoting a firm position of acceptance across all communication.
- Assembling a DEI Council to create a more equitable, inclusive environment for all.
- DEI training for our management team.
- Seeking and working with minority-owned businesses in some of our operations.
- Developing in-house programs to create a pipeline of female talent in manufacturing.
- Globally promoting and celebrating cultural holidays, Pride days and accomplishments.



WORKING TOGETHER TO DRIVE CHANGE

We believe that community engagement is most impactful when it directly benefits the communities in which we live and work.

Investing in our communities

If we have learned anything from the last few years, it's that when we work together, we reach better outcomes. This is why CVG is focusing now, more than ever, on being an active part of the communities where we operate.

One way we hope to achieve this is through our "CVG DRIVES Change" initiative. This campaign will help us establish yearly charitable goals for each of our locations, clearly communicate our values, and help us all make the world a little bit better.

CVG **DRIVES** change in our communities by:

- D** Donating goods to those in need
- R** Raising money for organizations
- I** Increasing awareness for the causes we support
- V** Volunteering our time
- E** Engaging with purpose
- S** Sponsoring events and causes

Whether it is sponsoring a little league baseball team, raising donations for a local food bank, or an employee volunteer day at Habitat for Humanity, CVG encourages giving back.

We also encourage employees to volunteer their time to organizations that they personally support—and offer them paid time off to do it.

Change in action

Despite restrictions from COVID-19, the war in Ukraine and a year of extreme inflation, CVG employees came together around the world to support their communities.

Here are just a few of the causes that CVG employees supported through the year:

- Raised and donated more than \$50,000 USD for people in Ukraine.
- Donated food baskets, canned goods and donations that helped feed more than 1,100 families.
- Donated time and funds to various hospices, cancer care centers and hospitals around the world, with donations of more than \$11,000 USD.
- Volunteered with organizations including local food banks, the National Forestry, hospitals and more.
- Supported various children's charities, providing materials, school supplies, scholarships, a vehicle, and monetary donations of more than \$9,000 USD.
- Donated goods to local communities, including food, furniture, blankets, clothing and household supplies, which benefited thousands of people.
- Hosted numerous holiday drives at locations across the globe, providing hundreds of children with gifts.



GOVERNANCE

EFFECTIVE GOVERNANCE CREATES THE SOLID FOUNDATION THAT FOSTERS SUCCESSFUL COMPANIES.



Board of Directors

Our Board of Directors—which consists of members who bring diverse leadership and governance experience across various business sectors—provides careful oversight of the company as it pursues its vision to be a globally preferred engineering and manufacturing partner that strategically adapts to a changing world, and continuously improves upon our products, processes, and the lives of our people and communities, all while maintaining unbending integrity.

The adoption of our Code of Ethics, Insider Trading Policy, and other key governance documents listed on page 20, which apply to all our directors, executive officers and employees, are part of that Board oversight. The Board currently has three standing committees—the Audit Committee, the Compensation Committee and the Nominating, Governance and Sustainability Committee—consisting entirely of independent directors, each of which is chaired by a different director.

Board committee composition

	Audit Committee	Compensation Committee	Nominating, Governance & Sustainability Committee
Roger L. Fix		★	
Wayne M. Rancourt ★	★		
James R. Ray			★
Ruth Gratzke			
J. Michael Nauman ★			

★ Chairperson Member ★ Financial Expert

Current Board Members



Harold Bevis
President, CEO,
and Director



Roger L. Fix
Independent Director



Ruth Gratzke
Independent Director



Robert C. Griffin
Independent Director and
Chairman of the Board



J. Michael Nauman
Independent Director



Wayne M. Rancourt
Independent Director



James R. Ray
Independent Director

Key Governance Documents

[Corporate Governance Guidelines](#) →

[Policy on Stockholder Rights Plans](#) →

[Code of Conduct](#) →

[Anti-Corruption Policy](#) →

[Insider Trading Policy](#) →

[Clawback Policy](#) →

[Conflict Minerals Policy Statement](#) →

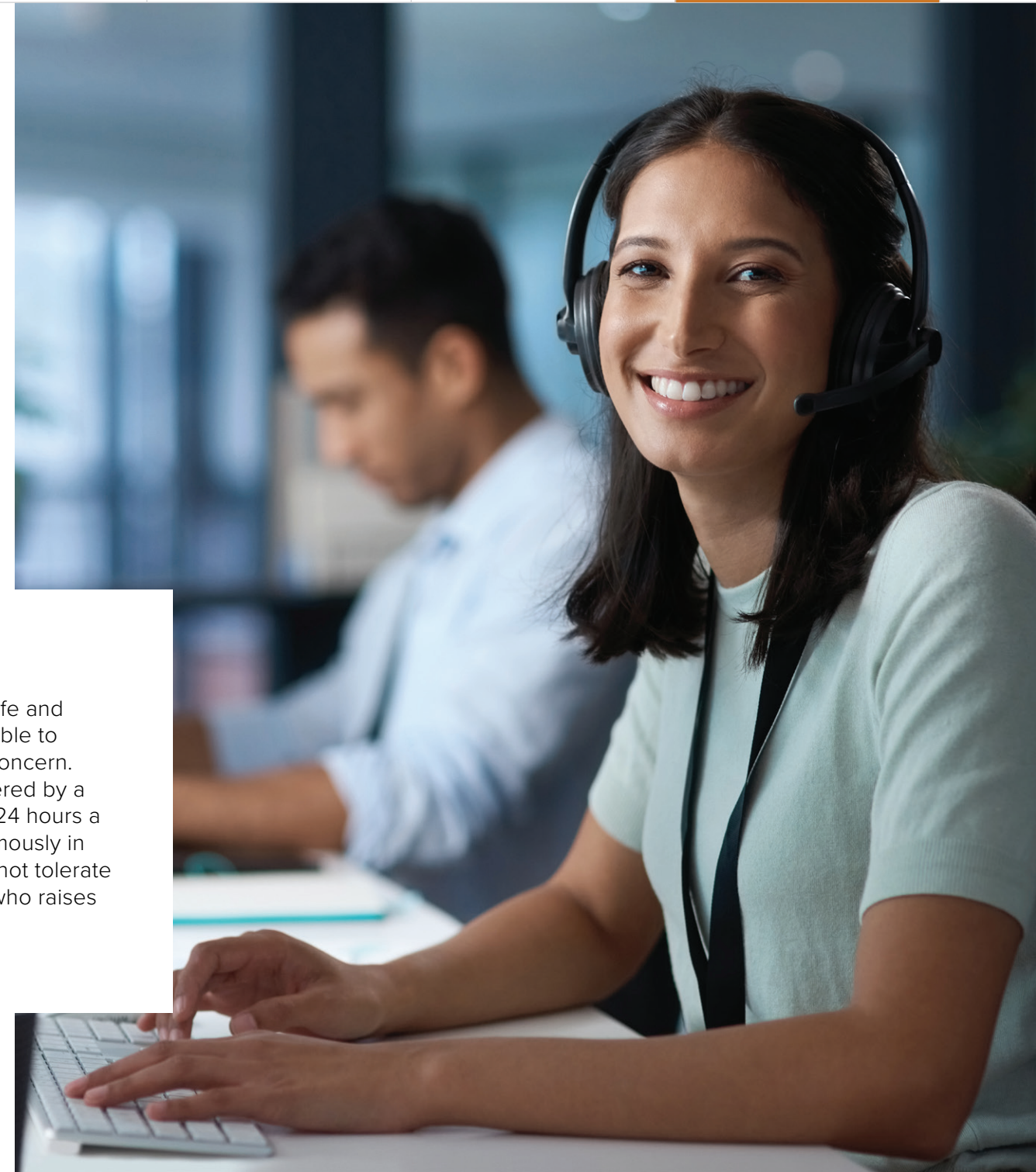
About our Code of Conduct

At CVG, we believe in diversity, inclusion, equitable treatment, ethical behavior, non-discrimination, and fair business practices. Our personal examples and our daily actions define CVG, and each of us is responsible for doing our part.

As a global company, it's important that we have a common set of guidelines, so we share the same high standards. The CVG Code of Conduct reflects those guidelines and explains our expectations for impacting the business positively each and every day.

The CVG Ethics Line

The CVG Ethics Line is a safe and confidential resource available to those who wish to raise a concern. The Ethics Line is administered by a third party and is available 24 hours a day, 7 days a week (anonymously in most locations). CVG does not tolerate retaliation against anyone who raises issues in good faith.





HELPING THE WORLD BE A BETTER PLACE

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