



Corporate Sustainability Report

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At Control Southern, we are deeply committed to environmental stewardship and sustainable practices. As the President of our company, I prioritize our planet's well-being and recognize the industrial automation industry's influential role in shaping our environment.

Our dedication to sustainability extends to the solutions we provide our customers. We develop automation solutions that optimize energy usage, enhance operational efficiency, and minimize environmental impact. By helping our clients streamline their operations and reduce waste, we contribute to their sustainability goals and the conservation of natural resources.

We empower our employees to be environmental advocates. Through their dedication and participation, we foster a culture of environmental responsibility within our organization. We continuously strive for improvement, setting measurable goals and implementing strategies to minimize our ecological impact.

As the President of Control Southern, I am dedicated to upholding these principles and ensuring that environmental responsibility remains central to our company's mission.

Together, let us shape a harmonious coexistence of industry and nature, safeguarding our planet for future generations.

Doug Turner
President

MESSAGE FROM OUR PRESIDENT



Control Southern Core Values

Integrity

We are uncompromising in our honest and ethical behavior, which creates trusting relationships with one another, customers, suppliers, and communities.

Safety & Quality

We are unwavering in our commitment to the highest standards of safety and quality for ourselves and our customers.

Innovation

We passionately pursue creativity in new and better technologies, capabilities, and approaches to drive tangible value for our customers.

Collaboration

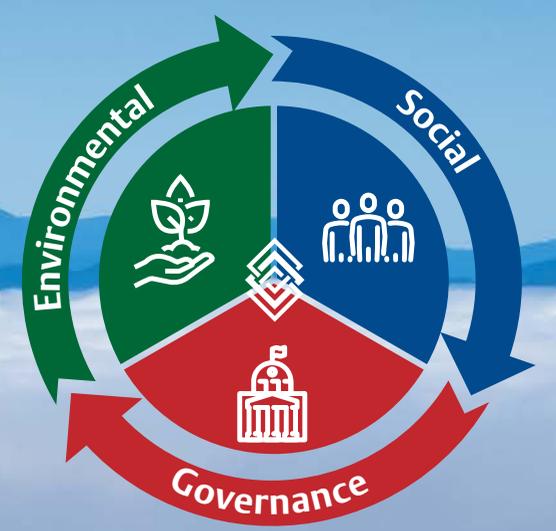
We work seamlessly across geographies, platforms, business units, and functions to fully leverage our unmatched breadth and expertise.



Integrated Solutions & Environmental Leadership

Control Southern is an integrated solutions provider helping manufacturing plants in the Southeast run better, faster and smarter through automation and customized valve solutions. We are committed to improving our customers' performance with measurable results while making the greatest use of the world's valuable resources.

For more than six decades, we have been offering the most comprehensive range of integrated industry solutions focused on improving our customer's operational reliability, safety and performance. Our integrated portfolio of solutions and services enables customers to lower costs and increase efficiency while at the same time demonstrating environmental leadership.



Environmental

Control Southern Green Team

At Control Southern, we created the Green Team to help us reach our companywide sustainability goals. We are committed to developing and implementing initiatives that reduce our environmental footprint. Some of the initiatives that we have implemented include energy tracking to identify areas where we can reduce our energy consumption, eliminating single-use styrofoam and plastics to reduce waste, cardboard and scrap metal recycling to reduce our environmental footprint, carpooling to reduce emissions from transportation, and remote working and meetings to reduce our carbon footprint.

The Three R's of Waste Management

We developed a Waste Management plan that includes the three R's in sustainable practices. *Our plan includes:*

Reduce: Use of plastics and styrofoam

Reuse: Wood Pallets and cardboard boxes

Recycle: Light bulbs, batteries, electronics, & metal



WOOD
676
PALLETS
RECYCLED

REDUCTION
11,760
PLASTIC BOTTLES &
STYROFOAM CUPS

lbs.
9,100
Scrap Metal
RECYCLED

539 metric tons
CO₂ Emissions | **117 Equivalent**
Cars off the road

CO₂
Eliminated

Environmental Impact

We believe that our positive impact on the environment is many multiples of what we achieve simply by improving our own operations. By enabling our customers to increase resource efficiencies, reduce waste and lower emissions through the products and integrated solutions we offer, we can help them achieve their sustainability goals while also reducing their environmental footprint.

Integrated Solutions



Net zero emissions, increased safety, and superior diagnostics.



Conserves fluid and gases, prevents emissions, and protects tank contents.



Compliant with the Clean Air Act while reducing maintenance, and enhancing process control.



Protection for systems that collect vapors, including flare stacks, and vapor recovery units.



Meeting the required bleed rate of less than 6 scfh set by the EPA's NSPS.



No bleed solutions that meet strict EPA regulations.



Tracking of venting statistics to assist with minimizing, and accounting for venting of produced fluids to atmosphere.



Minimizes fugitive emissions, product release/loss, and noise by ensuring a fully proportional opening and stable operations.

CASE STUDY

Project Details

6 Months Planning

Clean hydrogen is crucial for achieving a carbon-neutral future, but current power plants mainly rely on natural gas. Transitioning to a hydrogen blend may require power producers to retrofit some of their existing infrastructure. Mitsubishi Power demonstrated that its M501G gas turbine can operate reliably utilizing a blend of 20% hydrogen.



Customer Project Results

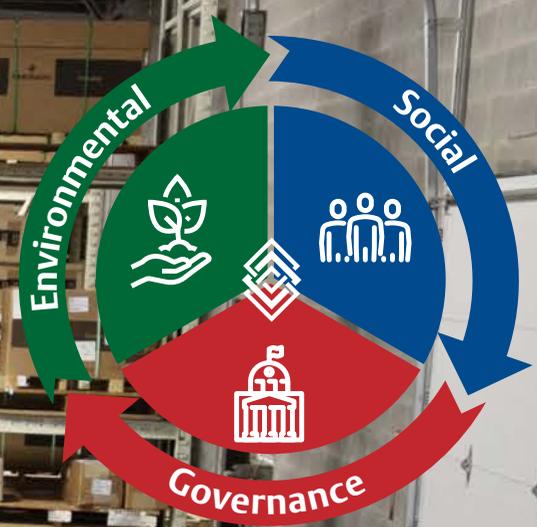


WORKING WITH CONTROL SOUTHERN: PROJECT HIGHLIGHTS

A Mitsubishi Power gas turbine located at a power plant in Georgia was selected for the demonstration. Working as part of a team of eight organizations to demonstrate the feasibility of hydrogen blending, Control Southern was responsible for manufacturing, testing, and automating the control, shutoff, and safety relief valves to mix the gases.

The test confirmed the turbine's ability to safely operate on a 20% hydrogen blend, and it also reduced minimum environmental load by approximately 10% of baseload through the blending of hydrogen.

Learn More: [McDonough Partner Story | Mitsubishi Power](#) [20% Game Changer](#)



Social Impact



We believe that our business success depends on our social responsibility. We strive to create value for our stakeholders while contributing to the well-being of our employees, customers, suppliers, partners, and communities.

Diversity, Inclusion & Engagement Highlights

- > Yearly Voice of the Employee Gallup Surveys
- > Employee Assistance Programs (EAP)
- > Equal Opportunity Employer
- > Military Veteran Employment (Bradley-Morris Membership)
- > Diversity, Equality & Inclusion (DEI) Standards

Employee Benefits Highlights

- > Medical, Dental and Vision
- > Paid Long and Short-Term Disability
- > Paid Parental Leave
- > Paid Community Service Hours
- > ESOP & 401K Match





Safety Mission

At Control Southern, we are committed to providing a safe and healthy workplace for our employees, customers and partners. We believe that safety is not only a legal obligation, but also a moral responsibility. We follow the best practices of risk management and continuous improvement to prevent accidents and incidents. We empower our employees to be proactive and responsible for their own safety and the safety of others. We strive to create a culture of safety excellence that benefits everyone involved in our operations.

Quality Mission & Commitment

Our mission is to continuously strive to improve our processes and procedures to ensure the value of the products and services we provide our customers.

We maintain high Quality standards and customer confidence by continually improving our processes and services, developing our facilities, and training our personnel to attain compliance with customer agreements, codes, and other regulatory requirements.

Safety & Quality Highlights

- > Longest Safety Record: 1,398 Days Safe
- > Certificate for Occupational Safety Managers (COSM) Certified
- > Safety Topic presented before every meeting
- > ISNetworld Compliant
- > Standardized Corporate Level Business Unit Quality Procedures
- > Scored 94% on an Emerson Preferred Service Provider Audit





GLOWS was developed to be a unique way to channel individual efforts into a powerful force for change. **GLOWS** is committed to social responsibility, supporting the belief that as a company we have an obligation to support those communities that support Control Southern.

1,142 lbs.
DONATED
FOOD, CLOTHING &
BOOKS

600
SHOEBOXES
OPERATION
CHRISTMAS CHILD

7,500 Hrs.
VOLUNTEERED





COMPLIANCE

STANDARDS

POLICIES

REGULATIONS

RULES

Governance



At Control Southern, we are driven by our mission to create value for our shareholders and customers. We uphold the highest standards of business ethics in all our dealings. We safeguard the security and privacy of our data and information systems from unauthorized access or misuse and comply with all relevant laws and regulations regarding data protection and disclosure. We are committed to continuous improvement and innovation in our products and services.

When integrity leads, success follows.

Integrity means doing the right thing at all times, whether or not anyone is watching.
Building a reputation of integrity takes years, but it takes only a moment to lose.

There will always be those who have little integrity and seem to succeed, but eventually others cease to trust them. We instead believe that you can profit and be successful by consistently operating with integrity from the ground up.

Our Motto



As an employee-owned company, we share a vision of creating value for our customers, partners, and communities. Our ESOP empowers us to act as owners who care about our business's long-term success and our planet's sustainability. Our ESOP also fosters a culture of collaboration, innovation, and excellence among our diverse and talented team.

ESOP

- Uses accurate and transparent accounting methods and reporting
- Engages in ethical business conduct and complies with legal regulations
- Fosters a culture of ownership, accountability, and responsibility
- Encourages employee participation and feedback in decision-making and strategic planning

est.
2021
EMPLOYEE
STOCK OWNERSHIP
PROGRAM

2022
178
Employee
OWNERS





Board of Directors: *Structure, Composition, and Oversight*

The Board of Directors is the central pillar of our governance structure and serves as the representative body between the stakeholders and management, tasked with the role of genuine fiduciaries of stakeholders.

Strategic Council: *Structure, Composition, and Oversight*

The Strategic Council is responsible for the vision and execution of the company. Control Southern employs the Entrepreneurial Operating System (EOS) to guide short-term and long-term strategies to grow the business. The Strategic Council is comprised of the Leadership Team and the Business Unit Leaders.

Corporate Ethics

Our corporate values are clearly stated, explained and reviewed. Employees have formal channels to voice feedback through our Open Door Policy, L10 manager meetings, monthly President's Update, Annual Gallup Survey, and semi-annual All Hands Meetings. In addition, Control Southern undergoes yearly financial audits.

YEARS
9.7
Average
TENURE

Governance Highlights

- > Stakeholders (ESOP) trainings
- > Federal and military contracts
- > Governmental Compliance
- > ISO9001 Compliant
- > Board Structure and Diversity
- > All Hands Meeting and Monthly Updates
- > Digital and Cyberspace Policy Program
- > Employee Handbook
- > ESG Committee
- > Yearly Compliance Audit for Financial, ESOP, Profit Sharing and Workers Compensation

Information Security & Privacy

We take data protection seriously at Control Southern. We follow all the relevant laws and standards that apply to our business. We also go beyond compliance and do our best to protect the information of our customers, employees and suppliers.

- Yearly KnowBe4 Cybersecurity Awareness Training for all employees
- Yearly third party internal and external Penetration Assessment (PEN)
- Daily, monthly and yearly vulnerability scans by third party applications
- Monthly internal audits of system security, processes and procedures
- 24/7/365 third party Managed Detection and Response (MDR) Managed Prevention and Response (MPR) end-to-end Security Operations Service
- Calculated security incidents management using MDR, IFS NCR and Salesforce Incident Management

Proper Information Handling

Control Southern respects and protects the information we collect and use. We follow strict policies and procedures to ensure data security, privacy and compliance. We train our staff on best practices and monitor our systems regularly. We only share information with authorized parties and for legitimate purposes.



87%
SECURITY
AWARENESS
TRAINING
ALL CONTENT COMPLETION



24/7/365
MDR / MPR
SECURITY
OPERATIONS
SERVICE



Forward-Looking Information

The Control Southern 2022 Environmental, Social and Governance Report presents information focused primarily on data collected and activities that occurred during calendar 2022.

This ESG (Environmental, Social, and Governance) Report has been prepared to provide information and insights into the organization's environmental, social, and governance practices. However, it is important to note that this report is for informational purposes only and should not be considered financial, legal, or investment advice.

The information presented in this report is based on the best available data and sources up to the knowledge cutoff date mentioned. While every effort has been made to ensure the information's accuracy, completeness, and reliability, no guarantee or warranty is given or implied.

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