



Sustainability Report

Leadership Team Message:

From Dean Froney, CEO and executive staff:

We are writing to express our collective commitment to sustainability and to share our vision for the role it plays within our organization. Sustainability is not just a buzzword; it is a fundamental principle that guides our actions and decisions as an executive team.

Sustainability is not just about environmental responsibility; it encompasses economic viability, social equity, and environmental stewardship. It is about creating lasting value for our company, our employees, our customers, and the communities in which we operate.

Key pillars of our sustainability vision:

1. Environmental Responsibility:

We recognize that our operations have an impact on the environment, and we are dedicated to minimizing that impact. This includes reducing our carbon footprint, conserving resources, and preventing pollution.

2. Innovation and Efficiency:

We believe that sustainability and innovation go hand in hand. We are committed to finding creative solutions that improve efficiency, reduce waste, and drive sustainable growth.

3. Employee Well-being:

Our employees are at the heart of our success. We are dedicated to creating a safe, inclusive, and supportive work environment that nurtures talent and fosters personal and professional growth.

4. Community Engagement:

We are part of a larger community, and we are committed to our proud tradition of being a responsible and contributing member. This means actively engaging with and giving back to the communities where we operate.

5. Transparency and Accountability:

We will hold ourselves accountable for our sustainability goals and outcomes. Transparency in reporting our progress is a fundamental part of our commitment.



Sustainability is not just a goal but a journey, that we at MFS started in 1951 and are excited to continue together. We understand that achieving our sustainability objectives will require the dedication and effort of every member of our team.

In the coming months and years, you will see specific initiatives and goals that align with our sustainability vision. We encourage each of you to embrace this vision, contribute your ideas, and actively participate in our sustainability efforts.

We firmly believe that by integrating sustainability into every aspect of our business, we not only ensure our long-term success but also make a positive impact on the world. Together, we will create a more sustainable and prosperous future for Master Fluid Solutions.

Thank you for your commitment to this important endeavor.

Sincerely,
Dean Froney and executive staff | Master Fluid Solutions

Global Sustainability Statement

At Master Fluid Solutions, we are committed to fostering a sustainable future for our planet and communities. We understand that as a global metalworking fluid manufacturer, our actions have a significant impact on the environment and community. Therefore, we strive to integrate sustainability into every aspect of business operations, from product development to manufacturing, distribution, and customer engagement. Since 1951, we have been operating by the guiding principles of founder, Clyde Sluhan and as early as the 1970's, Master had developed fluids and equipment to significantly decrease consumption, enable recycling and greatly reduce disposal. As a company, we are dedicated to creating sustainable solutions for decades to come. It is at the core of our company vision: "Premier innovator of high-performance fluids and services delivering sustainable value to the global metalworking industry through passionate people enabled to do great things."

Focused on the environment, economy, and Master's core values, we have implemented systems to track and improve the following corporate principles:

- **Innovation:** Invest in R&D to bring new, safe, and sustainable metalworking fluids to the market
- **Destination Workplace:** Maintain a "Top Workplace" by offering industry-leading benefits and employee development programs, along with giving back to the community through charitable donations and volunteer efforts
- **Responsible Sourcing:** Source raw materials from suppliers that adhere to our supplier code of conduct and ethical sourcing guide.
- **Environmental Compliance:** Meet and exceed all regional regulatory requirements with the goal of over 95% of our products classified free of CMR substances.
- **Waste Minimization:** Reduce manufacturing wastewater as a percentage of production.
- **Customer Profitability:** Continue to lower customers' fluid usage through education and fluid recycling efforts.
- **Protect our People:** Aspire to achieve zero CMR(Carcinogenic, Mutagenic and Reproductive Harm substances.) and TRIR(Total Recordable Incident Rate) and encourage employees with wellbeing, safety and health improvements.

We work even more closely with suppliers, distributors, and customers to ensure we continue to build a sustainable future.

Sincerely,

Dean Fronev, President & CEO



Our Strategic Principles

- Operate as one global company.
- Live our mission, vision, and values.
- Relentlessly innovate to make our customers more successful.
- Reduce the "total cost of ownership" with safe and sustainable solutions.
- Form the best team and have the best place to work in all locations.



Master Fluid SOLUTIONS[®]

Company Values



Safety

Firm commitment to behaviors and a culture where safety is a value



Trust

Think positive intent and have confidence in the team



Integrity

Do what is right even when no one is looking



Stewardship

Protect and nurture that which has been entrusted to our care



Innovation

Create and deliver new value throughout the organization and marketplace



Accountability

Make a commitment, keep a commitment, and accept responsibility for actions



Charitable Giving

Help and support people in need in the communities we live and work



Great Place to Work

Create a nurturing environment where employees are valued and challenged



Excellence

If it is worth doing, it is worth doing well



Continuous Improvement

Commitment to improve all aspect of our business



Follow the Golden Rule

Treat others (customers, suppliers, and associates) as you wish to be treated

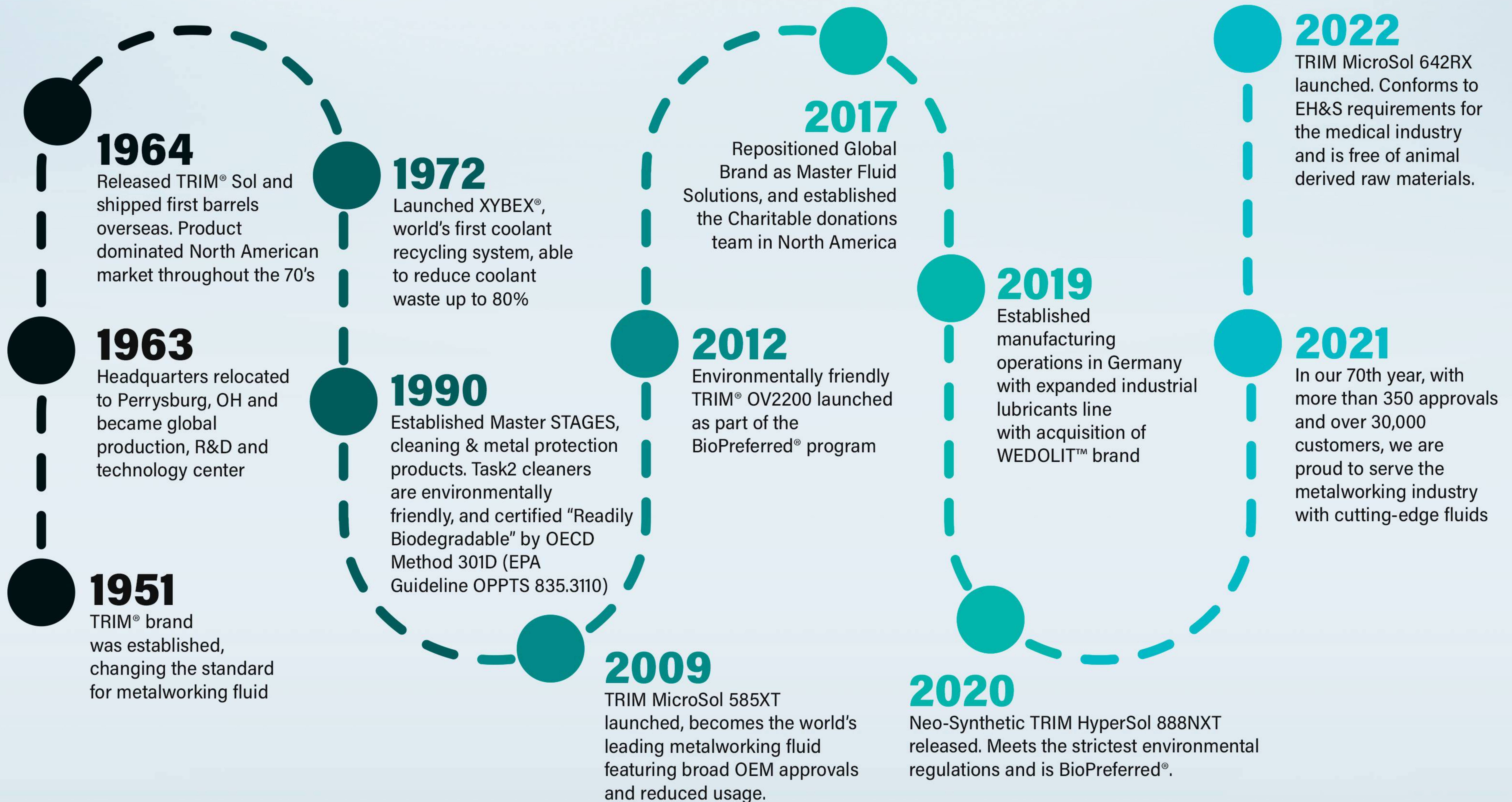
We recognize our responsibility to protect and preserve the environment. We are dedicated to minimizing our ecological footprint and continually improving our environmental performance.

Through the development and promotion of environmentally friendly products, the efficient use of resources, and the reduction of waste and emissions, we aim to contribute to a healthier planet for future generations.

We are actively performing the following initiatives to uphold our commitment toward environmental stewardship.

Master Fluid Solutions® Journey

Environmentally focused for 72 years:



Measuring and Managing our Environmental Impact

Environmental Impact:
76 kW Rooftop Solar System Equals:

Yearly Environmental Impact		
CO2 Offset	Planted	Km Driven
82 Tons	105 trees planted	291,000 km
25 Years Environmental Impact		
CO2 Offset	Planted	Km Driven
1502 Tons	1926 trees planted	5,400,000 km



Number of Solar Panels (540 Wp each)	Total Solar System Size
141 Nos	76 kW
Energy Generation Details:	
System Size	76 kW
Avg. Annual Production (kWh)	104880
Avg. Monthly Production (kWh)	8740
Avg. Daily Production (kWh/day)	291
Units generated / day / kW (kWh/Watt/year)	3.78

Our India manufacturing facility is embarking on a transformative project aimed at enhancing the sustainability of our operations. The cornerstone of this initiative is the integration of solar panels into our facility's infrastructure. By harnessing the abundant solar energy available in the region, we are not only reducing our carbon footprint but also significantly lowering our energy costs. This move aligns perfectly with our commitment to environmental responsibility and resource efficiency. The installation of solar panels will not only make our manufacturing process more environmentally friendly but also bolster our reputation as a socially responsible corporate entity. Moreover, it reinforces our dedication to long-term sustainability and positions our facility as a leader in green manufacturing practices within the region.

The addition of solar panels to our India manufacturing facility represents a forward-thinking investment that not only benefits our bottom line but also contributes positively to the local community and environment. This project underscores our commitment to reducing our reliance on fossil fuels, thereby mitigating our impact on climate change. Beyond the financial and environmental advantages, the initiative demonstrates our commitment to being a responsible corporate citizen and sets an example for others in the industry to follow. By embracing solar energy, we are not only enhancing the sustainability of our business operations but also taking a significant step towards a greener and cleaner future for India and the world at large.

Our Strategic Principles



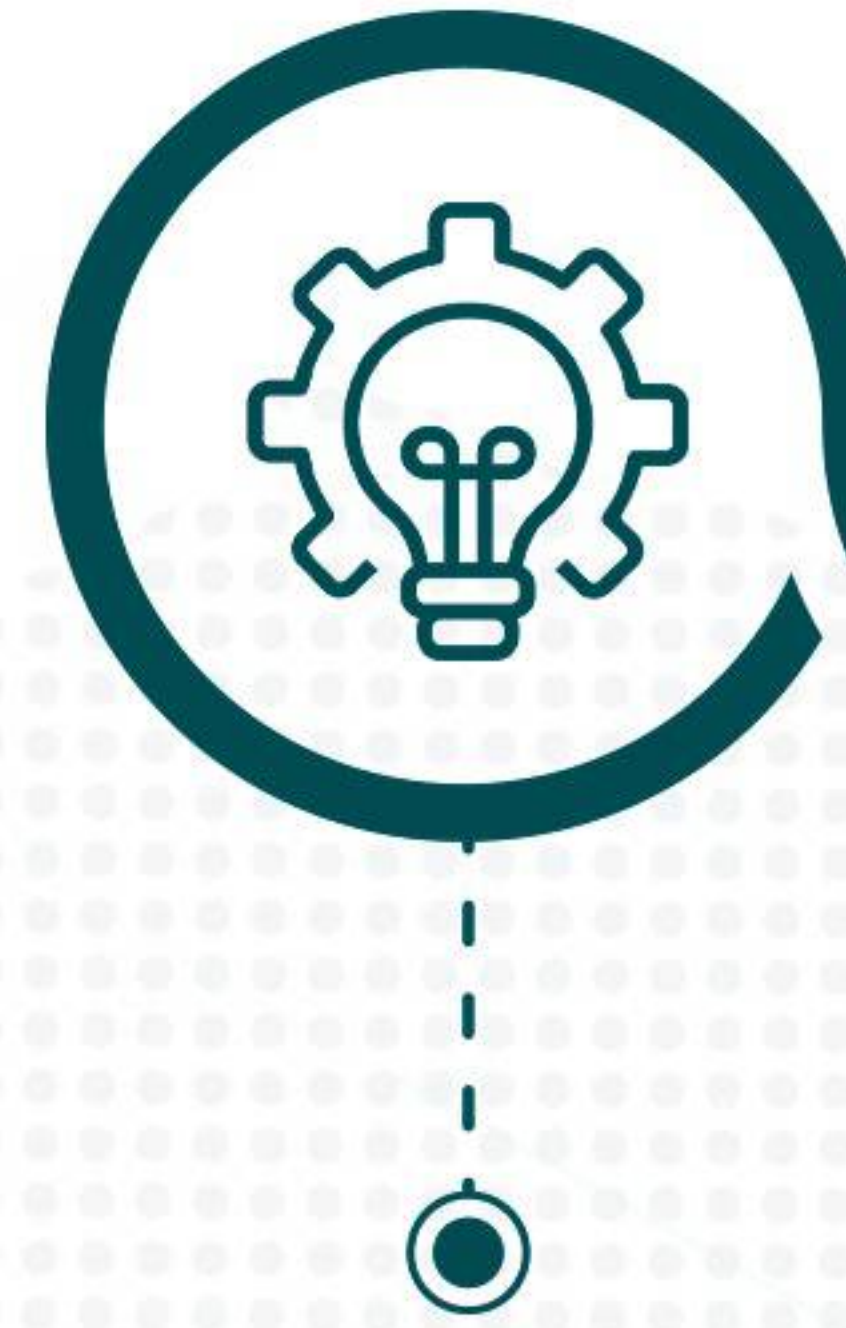
We operate as one global company

- Dynamic and Growing
- Long term sustainable path
 - Profitable growth
 - Common purpose
 - One family vision



We live our Vision, Mission, and Values

- Benefit owners
- Benefit external shareholders
- Benefit employees
 - "Golden Rule" One family vision



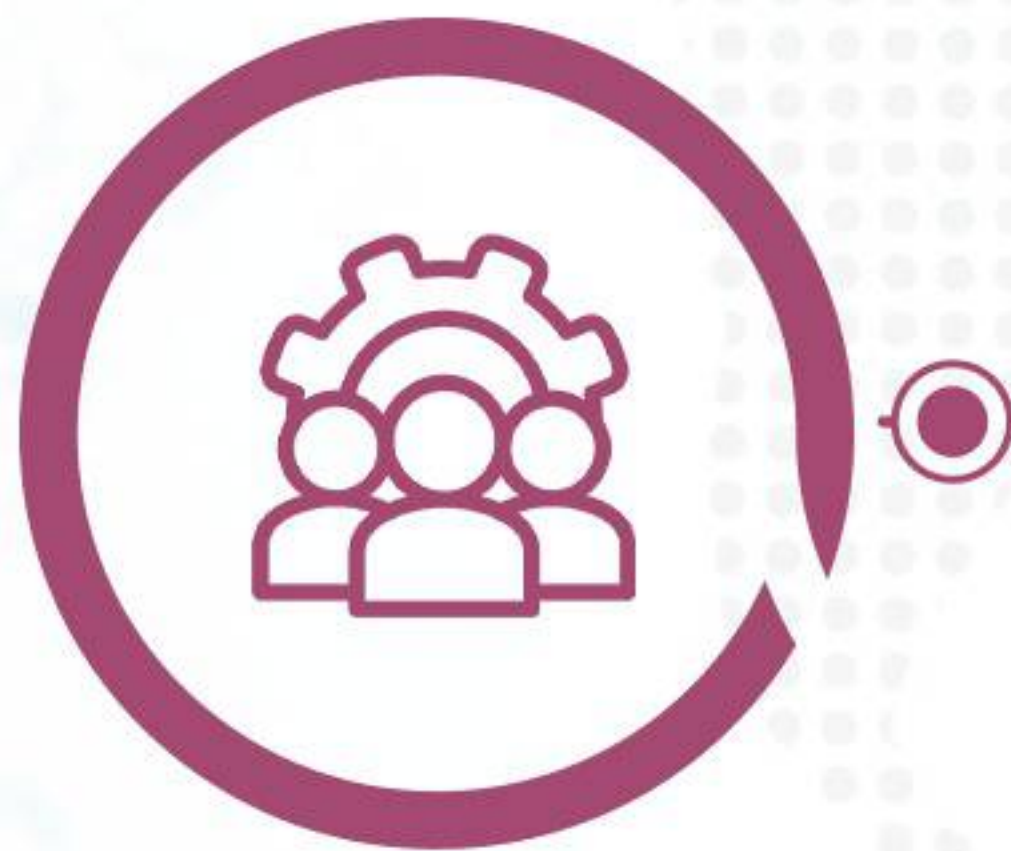
We relentlessly innovate to make our customers more successful

- Investment in technology
- Long term sustainable path
 - Profitable growth
 - Dynamic and growing
 - Long term value for all stakeholders



We reduce "Total Cost of Ownership" with safe and sustainable solutions

- Builds long term value
- All stakeholders Investment in technology
- Long term sustainable path
 - Profitable growth



We form the best team and have the best place to work in all locations

- Sustainable business
- Benefit employees
 - Dynamic and growing business
 - Long term value for all stakeholders



Board of Directors (Left to Right) Diana Sluhan; Ronald Brown; Julia Poston; John Sluhan; Andy Gilicinski; Jerry Lundquist; Dean Frone; Jim Rosa; Robert Nosal & Aaron Wright.

Product Testimonials

Aerospace Components Manufacturer Reduces Consumption with Master Fluid Solutions

The Challenge

Poor coolant stability resulted in a costly and time-consuming regime of biocide additions to the majority of the machine sumps at their manufacturing site. Without the biocide additions, the coolant would not meet regulatory health, safety, and environmental requirements or internal health and safety standards. Additionally, machine operators did not like the existing coolant; it emitted a bad odor.

The Solution

To deal with this challenge, the components manufacturer actively sought out a product to test in its machines to eliminate the need for additives and improve operator acceptance. That product was TRIM® MicroSol® 590XT, an environmentally-friendly, semisynthetic, microemulsion metalworking fluid.

The Results

A six-month test run of TRIM MicroSol 590XT proved that no biocide additions were needed to meet the company's regulatory health and safety standards. Additionally, using TRIM MicroSol 590XT reduced consumption. Machine operators also accepted the new coolant enthusiastically. They began asking for TRIM MicroSol 590XT to be put in all of their machines.



Global Tool Manufacturer Doubles Tool Life and Reduces Straight Oil Usage by 50% with TRIM® OV 2200

The Challenge

In their numerous plants located around the world, the company manufactures tool steel components for professional hand, power, and electronic tools. In this high production environment, keeping the machine uptime and spindle utilization maximized is critical. However, the straight oil used in their plants was just not adequate, leaving residue on both parts and machines, causing a high amount of downtime. Additionally, as a petroleum based straight oil, it had to be handled with protective clothing and the oil had very high carryoff.

The Solution

The company decided to trial TRIM® OV 2200, an environmentally friendly, bio-based straight oil which is free of V.O.C., chlorine, and animal fats. Not only is OV 2200's versatile formulation developed to machine difficult alloys and stainless steels, it also protects sensitive aluminum and copper alloys while improving the shop environment by reducing unpleasant odors and residues, making it a great option to improve operations. TRIM OV2200 is also part of the USDA BioPreferred program further contributing to sustainability efforts.

The Results

The company started seeing the obvious benefits of the switch - an incredible 100% increase in tool life and a 50% reduction in straight oil usage with far less oil carryoff. In addition, the customer stated that OV 2200 had a very pleasant smell compared to the previous product and the fact that the product could be handled with less PPE was an added bonus. TRIM OV 2200 led to a significant overall reduction in tool usage, disposal costs, manpower, and maintenance and an increase in part quality. The company enjoyed annual % of savings of over \$24,000/year.



Product Testimonials

Automotive and Aerospace Components Manufacturer Increases Tool Life by 22% with Master Fluid Solutions®

The Challenge

Tool costs are a significant contributor to the overall component cost, especially for titanium and Inconel impellers. Tool life savings are vitally important to improve the competitiveness of the manufacturer versus its rivals. The manufacturer wanted to test a new coolant with the aim of increasing tool life without decreasing machine productivity.

The Solution

After meeting with representatives from Master Fluid Solutions®, the components manufacturer agreed to a trial of HyperSol® 888NXT. This new class of neo-synthetic water-soluble metalworking fluid was specifically designed for machining the harder metal alloys typically used in aerospace applications. As such, it was the obvious choice for this manufacturer's challenging requirements.

The Results

TRIM® HyperSol™ 888NXT increased tool life by 22% on the titanium milling application versus a well-known, very high performance aerospace emulsion product. Additionally, the components manufacturer achieved \$5,683 annual savings per machine. The projected annual tool life savings will be nearly \$94,000, and annual coolant concentrate consumption savings are expected to be \$17,450. For the components manufacturer, using HyperSol 888NXT not only greatly extends tool life, but also further reduces overall costs by keeping machines and components cleaner, and by reducing coolant concentrate consumption by 50%.



**REDUCED
COOLANT
CONSUMPTION BY
50%**

Innovations of sustainable products

TRIM® HyperSol™ 888NXT:

HyperSol 888NXT is a neo-synthetic precision machining fluid formulated with an advanced, patented technology designed for the Aerospace industry. HyperSol 888NXT will reshape the industry having exceptional performance on hard metals including high-nickel alloys, stainless steels, and titanium alloys, coupled with the mechanical lubricity to machine soft, gummy aluminum alloys. This leading-edge fluid was formulated to pass aerospace approval test requirements utilizing state-of-the-art materials to deliver low foam, low odor, and a long running lifespan while meeting the strictest environmental regulations.



TRIM® OV 2200:

TRIM® OV 2200 is a bio-based straight oil for machining difficult alloys and stainless steels. Formula utilizes a proprietary blend of renewable resources to eliminate the need for traditional additives such as chlorine, sulfur, and animal fats. Allows users to improve their environmental profile by replacing products that contain V.O.C.



TRIM® MicroSol 642RX

TRIM MicroSol 642RX is specifically formulated for the medical device industry. This product is low-foaming, has high-lubricity, a long sump life, is clean running, and is free of animal derived raw materials. This metalworking fluid is formulated in compliance with the medical industry's environmental, health and safety requirements.



Master Fluid Solutions is a 10 year recipient of Top work Places

Top Workplaces is the nation's leading employer recognition program, through research-backed surveys. Creating a Top Workplace is about more than offering great benefits and vacation time. It's about putting employees first. The employer recognition program helps organizations of all sizes create work experiences that unlock potential and inspire performance.

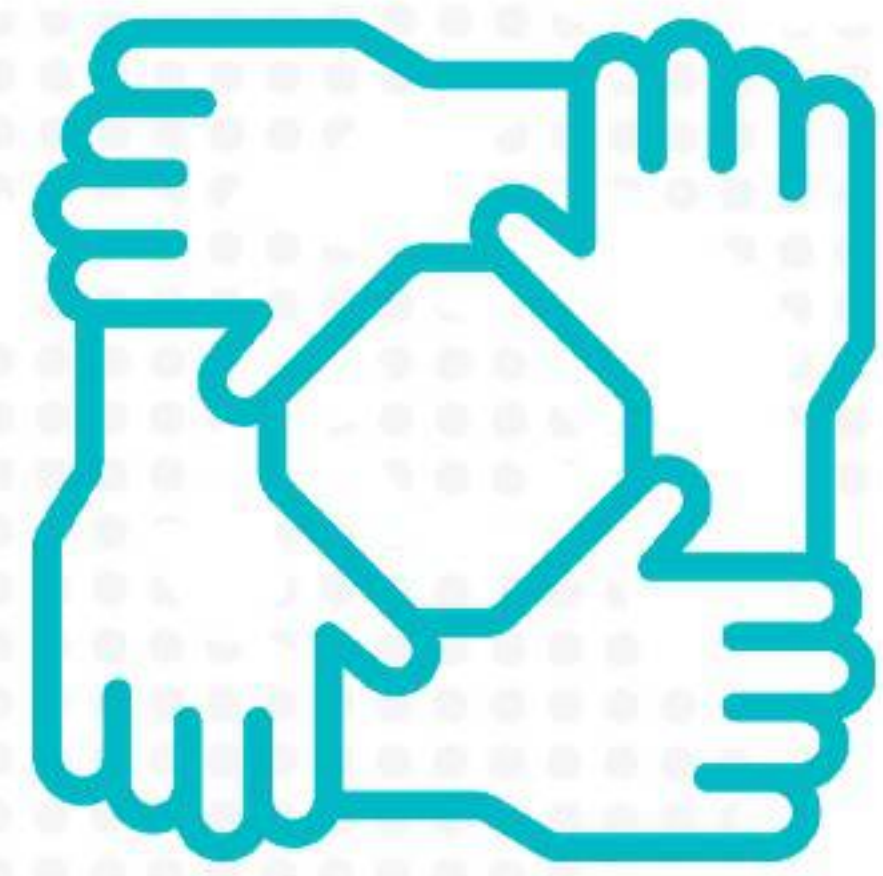


THE BLADE



Philanthropic Values

2022 North America Charitable Giving



71%

Employee Engagement



1,854

Food Items Collected for Annual Food Drive



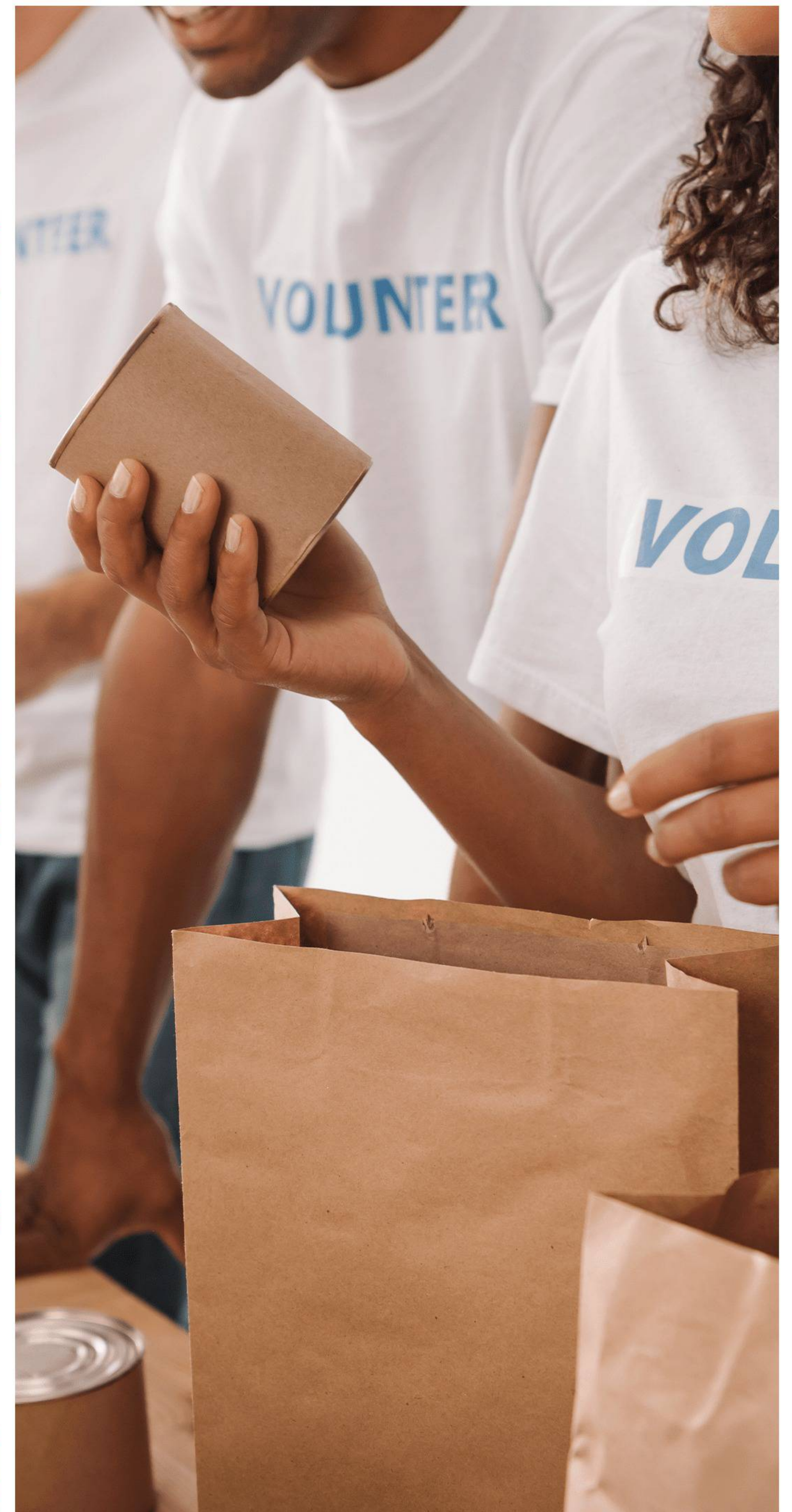
\$79,681

Given to Charities by Master Fluid Solutions and associates.



2,485

Global Hours Donated to Charity by Master Fluid Solutions employees.



Forward Looking Vision

In the coming years, we envision a corporate landscape that transcends traditional profit-centric models and becomes a driving force for global sustainability. Our organization is committed to leading this transformative journey towards a regenerative future, where businesses play a pivotal role in harmonizing economic prosperity, environmental stewardship, and social equity.



Regenerative Business Models:

We see a future where businesses are not just sustainable but actively contribute to regenerating the environment. Our company will continually seek innovative ways to integrate regenerative practices into our core operations, whether through circular supply chains, regenerative agriculture, or carbon-negative manufacturing.



Resilience Through Diversity:

We recognize that diversity and inclusivity are not just ethical imperatives but also sources of strength. Our vision includes fostering diverse talent pools, leadership teams, and partnerships, ensuring that a wide range of perspectives and experiences guide our decisions and strategies.



Circular Economies:

We are committed to transforming linear production models into circular economies, where waste is minimized, and resources are continually reused, recycled, or repurposed. Our vision embraces a closed-loop approach to product design and manufacturing.



Community Engagement:

We aim to be a positive force in the communities where we operate. Our vision includes actively engaging with local communities, supporting education, skills development, and infrastructure projects that improve the quality of life and well-being for all.



Global Collaboration:

We recognize that the challenges of sustainability are global in nature, and solutions require collaboration across borders and industries. Our vision involves actively seeking partnerships, sharing best practices, and advocating for global sustainability agreements and policies.

We endeavor to preserve and build upon the values inspired by Clyde and Marian Sluhan. Those values include integrity, hard work, and dedication to an enterprise bigger than ourselves. We expect the highest in ethics and character from one another, and we expect the same from those associated with Master Fluids Solutions. Business practices should be transparent and efficient so that high-value products may be developed, that value is the foundation for our long-term customer relationships, which enables long-term relationships with ethical, value-driven suppliers and distributors.

Golden Rule: Do unto others as you would have them do unto you.