TCCI 2024 SUSTAINABILITY REPORT

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AS WE REFLECT ON 2024, I AM PROUD OF THE STRIDES TCCI HAS MADE IN ADVANCING SUSTAINABILITY ACROSS OUR GLOBAL OPERATIONS.

RICHARD DEMIRJIAN
President & CEO, TCCI

This past year has been marked by significant achievements, from the expansion of our Clean Energy Innovation Hub in the U.S. to the implementation of new sustainability initiatives in our facilities in India and China.

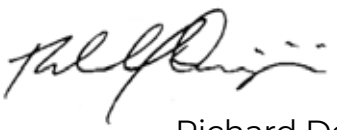
At TCCI, sustainability is not just a commitment – it is embedded into every aspect of our operations, product innovation, and workforce development. We continue to align our initiatives with global decarbonization goals, ensuring that our products and manufacturing processes contribute to a cleaner, more energy-efficient future.

Key milestones this year include:

- U.S. Facility Advancements: Opening the Clean Energy Innovation Hub, a cutting-edge research and manufacturing center dedicated to thermal management solutions and sustainability-driven manufacturing practices.
- Global Sustainability Progress: Implementing waste reduction, energy efficiency measures, and workforce education programs across our global facilities.
- Sustainable Product Innovation: Advancing the development of next-generation electric compressors and natural refrigerant testing to support a cleaner transportation ecosystem.
- Education and Workforce Development: Launching a sustainability education campaign in 2025 to engage employees and stakeholders in our long-term environmental initiatives.

As we move forward, our focus remains on scaling sustainable solutions, strengthening global partnerships, and advancing technology that contributes to a more energy-efficient future. We are committed to driving impact – not just within our industry but across the communities where we operate.

Thank you for your continued support and collaboration as we build a more sustainable world together.



– Richard Demirjian

TCCI at a Glance.

500+ EMPLOYEES AT
10 GLOBAL LOCATIONS

GPTW CERTIFIED

FOR 3+ CONSECUTIVE YEARS

USA & India Facilities

BRAND PILLARS

INNOVATION

We develop forward-thinking solutions that solve unique customer challenges and deliver value across the supply chain.

SUSTAINABILITY

We take a global perspective on sustainability across our products, processes and people driving innovations for a more sustainable future.

COMMUNITY

We build meaningful partnerships and Work as One global community to drive performance, culture, value and growth in the places we call home.

ISO 14001 - E:2015

CERTIFICATIONS

USA - India - China - Germany

Our Commitment to a Greener Future.

TCCI's sustainability mission is rooted in our commitment to reducing environmental impact, driving product innovation, and implementing energy-efficient solutions across our global footprint. We recognize that sustainability is not a destination but an ongoing journey, requiring investment, innovation, and industry collaboration.

Our key focus areas include:

- Product Innovation: Developing high-efficiency electric compressors and natural refrigerant solutions that support zero-emission vehicle technology.
- Operational Sustainability: Reducing energy consumption, improving water efficiency, and minimizing waste at our facilities.
- Workforce & Community Engagement: Educating and empowering employees to contribute to sustainability initiatives within and beyond TCCI.

ENVIRONMENTAL STEWARDSHIP

TCCI is committed to using resources wisely and protecting our planet as we expand our business. With a commitment to adhering to ISO 140001 requirements, we continually evaluate our operations' impact on the communities we inhabit.

MANAGING OUR ELECTRICITY & WATER USE

We strive to minimize waste and reduce overall consumption by upgrading lighting efficiencies and improving processes to save water. For example, after a certain amount of meetings, investigations, and tests, a new impregnation glue (Chuhatsu) was chosen to replace the original one (Jiatai) for better cleaning of die castings, reducing water use from 50t per day to 4t per day in the impregnation line. We positively answer the call from government to restrict the use of electricity in our factory during summer each year to satisfy local community public facility and household power consumption.

REDUCING GREENHOUSE GAS EMISSIONS

TCCI's top priority is to reduce our global carbon footprint and curb emissions by prioritizing the development of electric compressors. As part of this commitment, we are currently retooling the 1940s Decatur facility and have successfully established an EC production line in the NB facility, transitioning from combustion to electric compressor manufacturing.

RECYCLING AND REUSING

Recycling and reusing are the most effective ways that we can help preserve our planet. **TCCI has a project team assigned to improve or change our packaging design to avoid waste.** As an example, our clutch supplier used to send parts in small boxes, which were discarded after use. However, we have now collaborated with the supplier to create a reusable design that can be applied to other parts regularly sent to our Indian facility. This effort allows us to prevent approximately 30,000 boxes from being discarded annually.

Supplier Sustainability Targets.

GREENHOUSE GAS EMISSION POLICY

Each TCCI Manufacturing, L.L.C. supplier partner should be committed to reducing their emissions of GHGs. Supplier partners should use data from and partner with their power providers to look for ways to reduce our energy consumption and identify opportunities for renewable energy sources. Additionally, they should work with their supplier partners to reduce GHGs throughout the total TCCI supply chain (Scope 3 emissions).

DECARBONIZATION

TCCI Manufacturing, L.L.C. locations are instructed to identify ways to reduce their dependence on oil and gas as power sources to reduce the carbon dioxide (or CO2) emissions.

SUSTAINABILITY OVERSIGHT

Supplier Partners are expected to utilize appropriate management systems, such as ISO 14001, that ensure product quality and safety meet the applicable requirements.

WASTE REDUCTION

Supplier Partners should develop a waste reduction plan provides an opportunity to redesign processes to create less waste and thereby increase efficiency.

REUSE & RECYCLING

Supplier Partners should look to reduce their footprint by implementing practices to reduce, reuse, and recycle materials. Supplier Partners are encouraged to reuse material and purchase material made from recycled products.

Facility & Operational Sustainability.

U.S. FACILITY: TCCI CLEAN ENERGY INNOVATION HUB

In 2024, we celebrated the opening of the TCCI Clean Energy Innovation Hub in the U.S., which serves as a center for electric vehicle technology, testing, and workforce development. This investment enhances energy-efficient manufacturing practices and strengthens our commitment to developing sustainable mobility solutions.

Key sustainability features of the Clean Energy Innovation Hub:

- Energy-efficient lighting, low-energy HVAC and equipment with an estimated energy consumption reduction estimated 35% reduction in energy consumption to the previous facility.
- Evaluation of solar panel integration that could generate 15% of facility power needs.
- Material and Waste Reduction including sustainable construction materials including recycled steel and low-VOC paints and an expected 30% reduction in water usage through advanced water recycling systems.
- Advanced testing capabilities for electric compressors and natural refrigerants to support clean energy transitions.
- Collaboration with academic institutions to foster research and innovation in sustainable technologies.

- The Climatic Center for Innovation and Research continues to serve as a global hub for thermal testing and vehicle electrification research, providing OEMs with critical data to improve energy efficiency. Key Research Focus Areas:
    - High-efficiency thermal management systems impact on energy consumption reduction.
    - Advancements in battery cooling for improved EV range and longevity.
    - Testing next-generation natural refrigerants to replace high-GWP alternatives.

1,250+ CONSECUTIVE DAYS
WITHOUT ANY SAFETY ACCIDENTS OR ENVIRONMENTAL INCIDENTS as of 12/31/24.

NOIDA, INDIA FACILITY

Our Noida facility has made significant advancements in waste reduction and energy efficiency, including:

- Reuse of materials by repurposing packaging, wooden components, and other resources to minimize waste and enhance sustainability in our operations.
- Implemented LED and motion sensor lighting
- Increased usage of electrical equipment for material handling vs. diesel (restricted use)
- Expansion of employee sustainability training to promote environmental responsibility in daily operations.

NINGBO, CHINA

Our Ningbo facility continues to drive sustainability through innovative practices focused on reducing emissions, optimizing resource use, and enhancing environmental compliance, including:

- Air cleaning unit installed and activated in EC Room of the machining workshop.
- Increased factory-wide automation, optimizing energy consumption and reducing production waste.
- Developing a Wastewater Treatment Project, currently 65% complete, ensuring compliance with environmental laws.
- Expanding employee certification programs.

PRODUCT INNOVATION & SUSTAINABLE TECHNOLOGIES

Advancing Clean Energy Technologies

TCCI remains at the forefront of developing high-efficiency thermal management solutions to support the transition to zero-emission transportation.

Key Innovations in 2024:

- **Electric Compressors:** Our next-generation 60cc/850V electric compressors offer improved efficiency and performance, reducing energy consumption in EV applications.
- **Smart Climate Control Technologies:** Our new U.S. facility will have the integration of AI and IoT-driven solutions to optimize vehicle climate control while minimizing energy use.

WORKFORCE & EDUCATION INITIATIVES

Building a Culture of Sustainability

In 2024, we prioritized sustainability education and workforce training to ensure that all employees play an active role in our environmental initiatives.

Key Workforce Sustainability Programs:

- **Global Sustainability Education Campaign (Launching in 2025):** Designed to engage employees in sustainable practices, encourage innovation, and align with corporate sustainability goals.
- **Green Manufacturing Training:** Implemented at our global facilities to enhance knowledge on energy-efficient production methods.
- **Workforce Development Partnerships:** Collaborating with educational institutions and industry leaders to support sustainability-focused career pathways.
- **Internal Training Sessions:** Internal sustainability awareness and Environmental, Health and Safety awareness trainings conducted throughout the year.
- **Individual Certifications:** Wastewater and solid waste treatment training class and certifications obtained by assigned staff.
- **Individual Certifications:** Environmental internal auditor training class and certifications obtained by assigned staff.

Environmental Stewardship: Reducing our Footprint.

WATER & WATER CONSERVATION

Ningbo, China:
ENHANCE WATER EFFICIENCY BY SAVING
daily water consumption.

Expanded recycling programs in global facilities, DIVERTING LARGE AMOUNTS OF WASTE FROM LANDFILLS.

ENERGY EFFICIENCY & EMISSIONS REDUCTION

TCCI remains dedicated to achieving net-zero emissions across global operations by 2050.

- **Facility Carbon Reduction Initiatives:**
  - 30% reduction in GHG emissions at key manufacturing sites.
  - Transitioning all facilities to renewable energy sources where feasible.
- **Sustainable Product Development:**
  - Continued R&D into high-efficiency electric compressors that reduce vehicle emissions.
  - Investing in next-generation refrigerants to eliminate HFC-based cooling systems.
- **Environmental Stewardship**: Reducing Our Footprint (U.S. Focus)
  - Energy Star Tracking & JadeTrack Implementation:
    - In 2025, TCCI will implement Energy Star tracking across U.S. facilities, utilizing the JadeTrack energy management platform to monitor, measure, and optimize energy consumption.
    - This system will allow TCCI to track energy performance in real-time, identify areas for efficiency improvements, and align with corporate sustainability and ESG reporting requirements.
    - The goal is to reduce facility energy consumption by an additional 10-15% over the next three years through data-driven energy management strategies.

Environmental, Health, and Safety.

The health and safety of employees and others on TCCI property are of critical concern to TCCI Manufacturing, L.L.C. We intend to comply with all health and safety laws applicable to our business set forth by local, state, and/or federal governing bodies.

To this end, we must rely upon employees to ensure that work areas are kept safe and free of hazardous conditions. Employees must demonstrate conscientiousness regarding workplace safety, which includes adhering to proper operating methods and being vigilant in identifying dangerous conditions or hazards.

Any unsafe conditions or potential hazards should be reported to management immediately, even if the problem appears to be corrected. Any suspicion of a concealed danger present on TCCI premises, or in a product, facility, piece of equipment, process or business practice for which TCCI is responsible should be brought to the attention of management immediately.

Periodically, TCCI may issue rules and guidelines governing workplace safety and health. TCCI may also issue rules and guidelines regarding the handling and disposal of hazardous substances and waste. All employees should familiarize themselves with these rules and guidelines, as strict compliance will be expected. In establishing and following safety rules, the primary thought has been to keep our employees free from injury.

HOUSEKEEPING

Maintain good housekeeping at all times, keeping equipment, tools and materials, and work areas clean and orderly. No employee should engage in any acts that are intended to interfere with another employee's ability to perform his or her work, including but not limited to sabotage or bullying. All defective tools, machinery, or electrical equipment must be reported to a member of management at once. Safety signs have been posted throughout our facilities to remind personnel of safe practices.

WATER USE AND CONSERVATION

Our commitment to ensuring responsible water use is global in scale. All TCCI Manufacturing, L.L.C. facilities are encouraged to reduce their water consumption and are monitored and metered wherever possible. Furthermore, TCCI is committed to safe manufacturing processes that work to ensure water quality across all of our facilities.

ENERGY EFFICIENCY

TCCI Manufacturing, L.L.C. is committed to sustainable operating practices. As such, TCCI locations are encouraged to explore practices, equipment, and partnerships to reduce GHG emissions, leverage renewable sources of energy, and reduce overall energy consumption.

GREENHOUSE GAS EMISSION POLICY

Each TCCI Manufacturing, L.L.C. locations is committed to reducing their emissions of GHGs. Due to the nature of our work, the low level of GHGs produced by each site is mainly driven by the electricity & natural gas used to power our operations. All Company sites are instructed to use data from and partner with their power providers to look for ways to reduce their energy consumption, identify opportunities for renewable energy sources, and ultimately drive year over year decreases in GHG emissions.

AIR QUALITY

TCCI Manufacturing, L.L.C. is committed to meet or exceed all local standards for air quality and emissions at each of its global locations.

WASTE REDUCTION AND SUSTAINABILITY IN RESOURCES

TCCI Manufacturing, L.L.C. is committed to sustainability throughout our total manufacturing process. Global facilities are encouraged to leverage local recycling programs, partner with suppliers, consolidate loads and reduce packaging material, and look for opportunities to reduce waste through reusable material and continuous improvement practices.

MACHINERY GUARDS

Never operate the machinery without the guards in place. They are placed there for your protection. Be sure the guard is in place before you start. Lock out machinery before cleaning, oiling, and repairing.

PERSONAL PROTECTIVE EQUIPMENT

Personal protective equipment, commonly referred to as “PPE,” is equipment worn to minimize exposure to hazards that cause serious workplace injuries and illnesses. All employees, contractors, and visitors entering a TCCI Manufacturing, L.L.C. factory floor must wear the following at all times:

- Safety glasses and/or prescription glasses with side shields must be worn over eyes
- Hearing protection
- Slip resistant shoes
- Appropriate clothing, eliminating loose fitting or dangling garments

EMERGENCY PREPAREDNESS

While TCCI strives to create a physical environment that is free from hazard, it is important that all facilities and employees are prepared and proactive to address threats from severe weather, fire, flooding, and other disasters. Emergency preparedness drills, such as a fire evacuation drill or severe weather drill, should be completed on an annual basis at each facility. Additionally, all emergency equipment, such as alarms, emergency lighting, signage, and supplies should be in good working order and tested on a routine basis.

FIRE AND EMERGENCY PROCEDURE

In case of a fire or explosion, all persons on site should immediately evacuate the facility. Personnel headcounts should be completed to ensure all personnel have evacuated from the building and should not be allowed to reenter until an all clear is given by the site leader. Fire suppression systems and extinguishers should be properly maintained and readily available for use in an emergency.

FIRE PROTECTION

TCCI locations are outfitted with fire suppression and detection equipment that meets or exceeds local government guidelines. Such equipment and systems shall be inspected & maintained on a routine basis.

HANDLING OF CHEMICALS

Employees handling chemicals should protect themselves at all times and know the hazards of materials they are working with before engaging them. Employees should wear proper PPE to safeguard themselves from accidental skin, eye and respiratory contact. If an employee is using an unfamiliar procedure or chemical, they should conduct a literature search for reports of known or suspected hazards by using the appropriate Safety Data Sheets (SDS), which serves as an important primary source of information on physical properties, health hazards, reactivity, and spill cleanup procedures. SDS sheets for all chemicals in use at a facility should be made available at all times.

WORKPLACE ERGONOMICS

The physical wellbeing and safety of employees is a top priority for TCCI. Each TCCI location is responsible to provide their employees a safe working environment with equipment that meets or exceeds all regulatory requirements. Equipment and employee work stations should be evaluated on a routine basis to ensure not only safe operation, but also good ergonomics are in place. Employees should notify their supervisor when ergonomic issues arise. If an employee is experiencing any signs or symptoms of musculoskeletal disorders, the employee is to report their symptoms to their supervisor. Employees should also promptly report equipment maintenance or repair issues to their supervisor or a member of the Maintenance team for resolution. Additionally, employees should utilize safe operating and lifting practices.

INCIDENT AND ACCIDENT MANAGEMENT

Any workplace injury, accident, or illness must be reported to the employee's supervisor as soon as possible, regardless of the severity of the injury or accident. TCCI has a duty to investigate each incident and accident in a timely and thorough manner to ensure the employee(s) is properly cared for and that proactive actions are put in place to mitigate current & future issues.

REPORTING

Report all unsafe conditions or practices immediately to your supervisor and/or a member of the Human Resources & EHS team. Any workplace injury, accident, or illness must be reported to the employee's supervisor as soon as possible, regardless of the severity of the injury or accident.

Employment Practices and Human Rights.

WAGES AND BENEFITS

TCCI works to ensure employees are offered a fair and competitive compensation package. TCCI will comply with all laws and regulations pertaining to all legally mandated benefits and compensation within the local geographies in which we operate. Workers will be paid for overtime such a premium rate as is legally required or, in those countries where such laws do not exist, at least equal to their regular hourly payment rate. Deduction from wages as a disciplinary measure is expressly prohibited.

In addition to good working conditions and competitive pay, it is TCCI's policy to provide a combination of supplemental benefits to all eligible employees. In keeping with this goal, each benefit program has been carefully devised. These benefits include time-off benefits, such as vacations and holidays, and insurance and other plan benefits. TCCI is constantly studying and evaluating our benefits programs and policies to better meet present and future requirements. These policies have been developed over the years and continue to be refined to keep up with changing times and needs. All benefits programs will comply with local law and regulations.

HUMAN RIGHTS & WORKING CONDITIONS

It is TCCI Manufacturing, L.L.C.'s policy to prohibit intentional and unintentional harassment of or against job applicants, contractors, interns, volunteers or employees by another employee, supervisor, vendor, customer or any third party on the basis of actual or perceived race, color, creed, religion, national origin, ancestry, citizenship status, age, sex or gender (including pregnancy, childbirth and pregnancy-related conditions), gender identity or expression (including transgender status), sexual orientation, marital status, military service and veteran status, physical or mental disability, genetic information or any other characteristic protected by applicable federal, state or local laws (referred to as "protected characteristics"). Such conduct will not be tolerated by TCCI Manufacturing, L.L.C. The purpose of this policy is not to regulate our employees' personal morality, but to ensure that no one harasses another individual in

the workplace, including while on TCCI premises, while on TCCI business (whether or not on TCCI premises) or while representing TCCI. In addition to being a violation of this policy, harassment or retaliation based on any protected characteristic as defined by applicable federal, state, or local laws also is unlawful. For example, sexual harassment and retaliation against an individual because the individual filed a complaint of sexual harassment or because an individual aided, assisted or testified in an investigation or proceeding involving a complaint of sexual harassment as defined by applicable federal, state, or local laws are unlawful. TCCI prioritizes creating a workplace free of harassment and discrimination. To maintain a safe and productive working climate, the Company conducts annual training across it's locations to ensure awareness and compliance to TCCI policies as well as local, state, and federal regulations pertaining to harassment and discrimination. Additionally, all TCCI employees are provided harassment training as part of their new hire onboarding.

HARASSMENT DEFINED

Harassment generally is defined in this policy as unwelcome verbal, visual or physical conduct that denigrates or shows hostility or aversion towards an individual because of any actual or perceived protected characteristic or has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment. Harassment can be verbal (including slurs, jokes, insults, epithets, gestures or teasing), visual (including offensive posters, symbols, cartoons, drawings, computer displays, text messages, social media posts or emails) or physical conduct (including physically threatening another, blocking someone's way, etc.). Such conduct violates this policy, even if it does not rise to the level of a violation of applicable federal, state or local laws. Because it is difficult to define unlawful harassment, employees are expected to behave at all times in a manner consistent with the intended purpose of this policy.

SEXUAL HARASSMENT

Defined Sexual harassment can include all of the above actions, as well as other unwelcome conduct, such as unwelcome or unsolicited sexual advances, requests for sexual favors, conversations regarding sexual activities and other verbal, visual or physical conduct of a sexual nature when:

- Submission to that conduct or those advances or requests is made either explicitly or implicitly a term or
- Condition of an individual's employment; or
- Submission to or rejection of the conduct or advances or requests by an individual is used as the basis
- For employment decisions affecting the individual; or
- The conduct or advances or requests have the purpose or effect of unreasonably interfering with an
- Individual's work performance or creating an intimidating, hostile or offensive working environment.

REPORTING PROCEDURES

If the employee has been subjected to or witnessed conduct which violates this policy, the employee should immediately report the matter to the Manager. If the employee is unable for any reason to contact this person, or if the employee has not received an initial response within five (5) business days after reporting any incident of what the employee perceives to be harassment, the employee should contact the Head of Human Resources. If the person toward whom the complaint is directed is one of the individuals indicated above, the employee should contact any higher-level manager in the reporting hierarchy.

INVESTIGATION PROCEDURES

Every report of perceived harassment will be fully investigated, and corrective action will be taken where appropriate. All complaints will be kept confidential to the extent possible, but confidentiality cannot be guaranteed. All employees must cooperate with all investigations conducted pursuant to this policy.

RETALIATION PROHIBITED

In addition, TCCI will not allow any form of retaliation against individuals who report unwelcome conduct to management or who cooperate in the investigations of such reports in accordance with this policy. If the employee has been subjected to any such retaliation, the employee should report it in the same manner in which the employee would report a claim of perceived harassment under this policy. Violation of this policy including any improper retaliatory conduct will result in disciplinary action, up to and including termination.

MINIMUM WORKING AGE

All employees and contractors employed by TCCI Manufacturing, L.L.C must meet the minimum legal age for employment where the work is performed. Child labor is expressly prohibited across all TCCI locations.

ANTI-SLAVERY AND HUMAN TRAFFICKING POLICY

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labor and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain. TCCI has a zero-tolerance approach to modern slavery, and we are committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own business.

REPORTING PROCEDURES

Employees may choose to report any Code of Conduct violation or concern to their supervisor, a member of Human Resources and/or the highest ranking manager in their functional reporting chain. Employees may submit concerns verbally or in writing and are asked to do so in a timely manner so that TCCI may investigate immediately.

LOOKING AHEAD.
SUSTAINABILITY GOALS FOR 2025 - 2026

1

Expand Sustainable Manufacturing Initiatives

- Increase the use of recycled materials in production.
- Further reduce factory energy consumption by 20% through efficiency projects.

2

Accelerate Workforce & Community Impact

- Train 500+ workers and students through sustainability-focused workforce programs.
- Strengthen industry partnerships for EV and clean energy workforce training.

3

Strengthen Global Collaboration

- Increase participation in sustainability-focused industry groups and research projects.
- Expand the reach of the Climatic Center for Innovation & Research, offering additional partnerships to support next-gen EV development.

4

Expand Energy Management & Efficiency Tracking

- Launch an Energy Star-certified tracking system across U.S. operations.
- Utilize JadeTrack software to provide real-time energy usage insights, supporting smarter decision-making and operational improvements.
- Establish annual energy efficiency benchmarks to drive continuous progress and meet evolving environmental goals.

A SUSTAINABLE FUTURE WITH TCCI

As we look toward the future, TCCI remains committed to innovation, collaboration, and action in our sustainability efforts.
By investing in clean energy technologies, fostering global workforce engagement, and driving operational efficiencies, we are building a more sustainable and resilient future.

We invite our partners, customers, and stakeholders to join us in this mission – because sustainability is a shared responsibility. Together, we can create lasting impact.

THANK YOU FOR YOUR SUPPORT!