



TRIPLE BOTTOM LINE REPORT
Cascade Engineering
Family of Companies

18TH EDITION

INTRODUCTION

In 2022, industry professionals worldwide weathered significant challenges, including supply chain disruptions, labor shortages, and the pandemic. As a company, Cascade Engineering is narrowing out strategic markets to focus on Containers, Automotive, Furniture, and Custom Polymers. This tightened focus is an effort to help us navigate a changing landscape and position us for growth.

Throughout Cascade Engineering’s history, we have strived for innovation, pursued complex challenges and exceeded expectations. At this point, it is most useful for us to focus our attention on what we do best; large tonnage injection molding. Our success allows us to reinforce our commitment to the Triple Bottom Line.

We will always seek ways to improve society and positively impact our environment through plastics engineering and manufacturing.



OUR CULTURE

The Cascade Engineering Family of Companies is a family-owned business that is committed to creating an inclusive work environment in which every employee knows they are valued.

Our True North aspiration for our culture is being an Employer of Choice through world-class health and safety while maintaining a strong culture of engaged employees. We strive to attract and develop top talent while providing skills, leadership training and opportunities to grow from within. We provide external resources and support for each employee and their families to remove barriers to their success.

As an anti-racism company, we believe in the diversity of thoughts, ideas, beliefs, experiences, and the inclusion of people regardless of their race, color, sex, language, national origin, religion, orientation or age. By embracing the principles of diversity and inclusion our culture is strengthened and our workplace is more dynamic.

As an organization, we thrive on collectively solving complex challenges that will improve our community, environment and financial prosperity.

BUSINESS PRINCIPLES

Vision and Values

Our vision is to be the highest value partner to our customers, by shaping ideas in plastics. We operate under the Triple Bottom Line through empowering people to drive innovative solutions and excellence in manufacturing.

Customer Driven Innovation

We create customer intimacy by building competitive differentiation, rapid invention and flawless launch.

Employer of Choice

We strive for the safest and healthiest workplace in the world. We provide learning and development opportunities, along with excellent benefits, to build a strong culture of engaged employees.

Organizational Excellence

Ongoing efforts to establish an internal framework of standards and processes intended to engage and motivate employees to deliver products and services that fulfill customer requirements within business expectations.



THE SALE OF CKT: A LETTER FROM FRED KELLER

6/6/22

On June 6, 2022, we announced the sale of CK Technologies (CKT) to Creative Liquid Coatings (CLC) of Kendallville, Indiana.

CKT has been with the Cascade Family of Companies since 2002 and we will miss the many good relationships we have built over the years. We are confident that the new owners will provide the employees of CKT with good opportunities as they begin this next leg of their journey. We wish them all a positive and vibrant future.

It is not easy to sell a business that we all have helped grow from infancy, but this reset for Cascade Engineering brings with it some positives that will strengthen us going forward. I think of it as a “shrink to grow” strategy. While as an overall Family of Companies, we will be smaller, the sale of CKT allows Cascade to make much needed investments in our facilities, including several new presses and renovations to our facilities and employee work spaces. At the same time we are able to dramatically reduce our reliance on bank debt that expanded as we were facing the difficulties at CKT. The sale of CKT also means that we will have the ability to focus our strategy on our core strengths of carts, office furniture, custom polymers



(Noble), and automotive markets. Our goal is to grow these markets as we return to good profitability. While we are focusing our resources in Grand Rapids, we will maintain our national sales force and our operations in Europe with headquarters in Budapest, Hungary.

I will continue as chair of Cascade Engineering’s board of directors. Christina Keller will continue as CEO of the CE Family Companies with overall responsibility for Cascade, including Cascade Engineering Europe and accept responsibility for Noble Polymers as President. Greg Bylsma will continue as President and CEO of Cascade Engineering.



With this sale of CKT now behind us, we are all very excited about this new direction and our future as a world class manufacturer of innovative plastics products. Our collective success relies on our continued teamwork and determination to build Cascade to be even more effective. Thank you so very much for all that each of you do every day to achieve that goal!

Thank you,

Fred Keller
Founder & Chair



LEADERSHIP



CHRISTINA KELLER: CEO of Cascade Engineering FoC & President of Noble Polymers

With the experiences she garnered since joining the company in 2009, Christina’s aim is to ensure Cascade Engineering maintains a triple bottom line philosophy. Before she was elevated to her current position in 2018, Keller served as the president for the Cascade Business Team for two years, overseeing five of Cascade’s businesses.

She currently serves as the Family Board Representative and was named President of Noble Polymers in 2022 which is CE’s own custom compounder of plastic pellets. This business unit is a valued partner within the circular economy and sustainable plastics recycling space.



GREG BYLSMA: President & CEO of Cascade Engineering

Greg brings extensive global manufacturing and operations experience to Cascade. Prior to joining CE, he served as president of North America and Head of Global Manufacturing of Herman Miller; and, previous to that as Executive Vice President/Chief Operating Officer of North America and the Executive Vice President/Chief Financial Officer at Herman Miller.

Greg’s extensive multi-disciplinary background in finance, operations and strategic planning will support our team as we continue refining our growth strategy and emphasizing our Triple Bottom Line philosophy.



KENYATTA BRAME: Executive VP, Chief Administrative Officer & Sustainability Officer

Insightful, dedicated, and genuinely caring, Kenyatta Brame embodies the principles and values Cascade Engineering was built on. Kenyatta joined Cascade Engineering in 2006 and has been crucial in leading several of our Employer of Choice initiatives, including B Corp certification and a Full Partner designation from the Partners for a Racism-Free Community.

He was inducted into the Sustainable Business Hall of Fame in 2022, which is a lifetime achievement award that recognizes extraordinary contributions to the growth of sustainable business in the West Michigan area over the course of a career.



STEVE BUSHONG: VP of Operations

Steve started as VP of Operations in January of 2019. He provides strategic leadership for North American operations based in Grand Rapids, MI. Steve was formerly the Vice President of North American Operations at Yanfeng Automotive Interiors in Holland, MI, which acquired the Prince Corporation.

Prince Corporation was recognized as the global leader for the design of automotive interiors and electronics integration by automakers around the world, with a core competency in plastic injection molding.

BOARD OF DIRECTORS



FRED KELLER - Founded Cascade Engineering in 1973. He believes that business has the unique opportunity to complement its efforts on financial performance with important work in the social and environmental arenas. Business and industry publications regularly feature his innovative management approach and work in advancing sustainability.



BILL MANNS (SUSTAINABILITY DIRECTOR) - Bill Manns is the President and CEO of Bronson Healthcare, an innovative, award-winning organization that partners with patients and families to achieve an exceptional care experience. He has a bachelor’s degree in Organizational Psychology and a master’s degree in Health Services Administration. In addition to his healthcare-specific background, he is experienced in LEAN and Six Sigma.



BRIAN WALKER - Experienced chief executive officer with a demonstrated history of working in the furniture industry. Formerly the CEO of Herman Miller, Brian Walker is a Partner of Strategic Leadership with Huron Capital. He is a hands-on resource providing the business insights and strategic direction to portfolio company management teams necessary to create value in the private equity environment.



DR. LORISSA KELLER MACALLISTER - Dr. Lorissa MacAllister is a researcher and architect who is blending her experience and expertise in healthcare to pioneer a unique approach to design in the healthcare industry and beyond. As the Founder and President of Enviah, she leads the consulting firm to create fully integrated environments with the organizations’ people, technology, and systems. She has worked actively in the Grand Rapids community to help many organizations transform and grow.



DEREK KAUFMAN - Derek Kaufman started his career in 1975 as a manufacturing process engineer with the Chevrolet Division of General Motors after his graduation from General Motors Institute. Today, Derek is a Managing Partner at Schwartz Advisors LLC, a La Jolla, CA based firm supporting the M&A activities and organizational development of companies in the automotive aftermarket.



MARIE ECKSTEIN - A performance-driven Senior Executive and Consultant with success across the chemicals, manufacturing, electronics, silicon/rubber, automotive and solar industries. Marie has worked for some big name companies and is the founder and CEO of Red Dirt Road Inc, a social enterprise business benefiting impoverished women in rural Cambodia through the design, manufacture, and marketing of handmade silk fashion accessories.

CHIEF FINANCIAL OFFICERS

CHIEF FINANCIAL OFFICERS:

JANICE OSHINSKI (2019-2022)



Janice Oshinski is a senior level financial executive with a demonstrated passion for delivering enhanced bottom-line performance and innovative process improvements. A hands-on leader, she partners with other business leaders in the development and implementation of strategic plans to facilitate business growth.

Janice started just before the pandemic shut-down and worked through one of the toughest times in our company’s recent history. Her dedication and leadership were key factors in our financial success through the pandemic.

She retired from Cascade Engineering during the Summer of 2022 and we wish her the best on her future endeavors.

ERIC VAN NAMEN (2022-present)

Eric Van Namen joined Cascade Engineering in August of 2022. He will play a critical role in developing and implementing the financial strategy for Cascade Engineering.

Eric will be a key to the leadership of CE, providing assistance in evaluating strategic moves, mergers and acquisitions; growth strategies; and, developing financial plans, economic modeling, and risk analysis.

He will work closely with Greg Bylsma, keeping our financial direction in line with our growth strategy. We welcome his expertise into our dedicated team going forward.



NEW LEADERSHIP

Greg Bylsma will guide the growth strategies for Cascade Engineering. He started in February, 2022 and hit the ground running with his dedication and passion for progress and effectiveness.

With the assistance of the executive team, Greg created our new strategic direction. These strategies were organized into buckets supporting each leg of the triple bottom line. He quickly began holding company updates to keep all employees informed of current plans and future goals. This transparency provided an inclusive environment and an engaged work force.

We saw great progress towards our goals in 2022 and expect even better results in 2023. We look forward to maintaining this level of success and organizational excellence.

PEOPLE

We believe achieving our goals should not come at the expense of our people, but because of them. With that mentality, we have adopted pioneering programs rooted in the appreciation of all people, regardless of age, race, or background.



Human Resources & Talent Acquisition

Meet the GR Campus Team!

We would like to spotlight the amazing efforts of our Human Resources and Talent Acquisition Teams respectively. Several successful programs and ideas helped enhance our workforce efforts and harness our internal systems.

“People want to have a purpose-driven organization, and we have to think differently about resources and pools of talent that we can tap into if we want to continue to grow.”

~Christina Keller (Grand Rapids Business Journal, December, 2022)

People Advancement

Cascade Engineering provides all employees an opportunity to progress in their careers. The PFC (Pay For Contribution) Program excels at guiding operators from starting positions into advanced roles. We increased all levels of pay, reinforced skill requirements and reintroduced classes to help rebuild our talent pipeline for technical and leadership roles in operations.

UKG

In 2021 we switched our Human Resource Information System (HRIS) to UKG which is a state-of-the art cloud based system. This change replaced our former ICON, Kronos and Taleo systems with one consolidated system to greatly improve payroll and data accuracy while bringing efficiency to all departments.

The UKG platform was launched in 2021 but we have truly harnessed its power over the past year. The software and mobile app has increased employee interactivity while simplifying the entire process for all parties.

Retention and Recruitment

According to the Grand Rapids Business Journal (GRBJ), Labor shortages and the need to fill workforce gaps remains one of the most critical challenges for employers across all industries, and several manufacturing experts anticipate this will continue into 2023.

To combat this within the manufacturing industry, several leaders in the region have been implementing new ways to attract and retain employees.

Our focus on recruiting top level talent has been a main priority. The Recruiting Department has been successfully filling open roles and creating an extra level of candidate engagement. Supported by the Hire Reach screening and interviewing method, the team is also working upfront to eliminate unconscious bias from our hiring process.

Our CE team is participating in additional job fairs to help recruit while expanding partnerships with additional staffing agencies to help improve production output and support our customers.



Peg Olds
Sr. Manager of Human Resources



Stephanie Schoenherr
Sr. Manager of Human Resources



Ally Skrzypczak
Human Resources Representative



Jennifer Boscher
Human Resources Manager



John Huisinga
HR Manager/
Benefits Manager/
HRIS Manager



DiAnna Stephens
VP of Legal, Risk & DBS



Sara Julius
Sr. HRIS Manager



Aaron Mead
Recruiting Manager

Work Force Improvements

Benefits

During 2022, we raised wages across the board and were able to reinstate training and skills courses. We also maintained the cost of health insurance premiums for all employees for 3 years in a row.

Attendance Incentives

To reward our employees we instituted three incentive programs for attendance. The main program is called Terryberry, which automatically adds points to employees account based daily attendance. Additional points are awarded for perfect weeks, months, etc. Points are redeemed for prizes or gift cards.

We also added extra incentives throughout the year giving away gift cards for perfect weeks and larger prizes for recognition of perfect monthly attendance, such as a smart television, gift card and an iPad.

Texas Temp Program

This program was first established in June 2021 to combat the very serious issue of worker shortages in West Michigan. In partnership with Select Staff, one of the staffing agencies utilized by the Brownsville, TX location of CK Technologies, the HRO team at CE created the Texas Temp program. We identified housing and transportation resources locally in Grand Rapids, and coordinated travel plans as well as on-boarding plans to bring groups of 40+ new Affiliates on campus.

Without this program, we would have likely been down 100 positions short of our staffing goals during this time frame. This saved us from shutting down machines due to the shortage of local workers.



Expungement Efforts

In the fall of 2020 the Michigan Legislation adopted the Clean Slate law that went into effect in April of 2021. This law provided for the expungement of eligible criminal convictions under certain circumstances and if certain pre-conditions are met. As an organization, Cascade Engineering does not believe Returning Citizens should be faced with permanent discrimination that limits their ability to have a fulfilling personal and professional life. As an anti-racism organization, we also understand that the legacy of institutional racism has created a criminal justice system that disproportionately impacts communities of color and the expungement process can break down barriers to housing, education, and employment for so many members of our community.

In September 2021, we hosted our own internal event at our corporate headquarters, to assist employees with a criminal background in applying for an expungement of their record. Our volunteers included lawyers and notaries who enabled employees to fast track the application process in one location at no cost.

In April of 2022, Cascade Engineering supported the efforts of the City of Grand Rapids to sponsor the Clean Slate GR Expungement Fair. This event was held at the Grand Rapids Center for Community Transformation and gave over 400 participants the ability to leave with a completed application for expungement free of charge. There was also an onsite job fair to support enhanced access to employment.

Immediately following this event, our team created a process for Cascade employees to receive confidential and complimentary support pursuing expungements and began offering this service internally in May of 2022. We are proud to be part of this initiative and are inspired by the positive impact we have seen on our employees and in the West Michigan community.

◀ Clean Slate Event

Kenyatta Brame Inducted into the Sustainable Business Hall of Fame!



The Sustainable Business Hall of Fame is a lifetime achievement award that recognizes extraordinary contributions to the growth of sustainable business in the West Michigan area over the course of a career. The Future Sustainable Business Hall of Fame Award recognizes an emerging professional whose work deserves further recognition.

Kenyatta's contributing successes:

- Co-Founder of the Tipping Point Initiative (TPI), a non-profit focusing on recucing barriers for eduaction and employment.
- Board Member on West Michigan Works! Community Advisory Board. West Michigan Works is a regional workforce development organization.
- Chair of Amplify Grand Rapids, a holistic organization focused on he development and investment in the Southeast side of Grand Rapids.
- Board Member of Alternative Directions providing probation residence services offering an alternative direction to non-violent felony offenders.
- Board Member of Spectrum Health Healthier Communities serving the underserved demographic, economic or cultural characteristics hindering access to health care or at risk placement for poor health outcomes.
- Board Member of the City of Grand Rapids Civil Service Board implementing the rules and regulations of the City of Grand Rapids Civil Service System.
- Commissioner of the Kent County Jury Commission reviewing Kent County's jury selection practices, procedures and results to make sure they are fair, equitable and comply with the law.

We are very proud and honored for Kenyatta Brame to be included in the eighth annual 'Triple Bottom Line Bash' held at LMCU Ballpark on September 30. If you recall, Fred Keller was one of the first to be inducted back in 2014.

PLANET

There's only one earth, so we intentionally strive to reduce our impact on it. We work hard to build a sustainable organization and are committed to continuously reducing waste emissions into the air, land, and water.



CIRCULAR ECONOMY

Cascade Engineering has been driving its business practices toward the circular economy. The circular economy is an economic model that aims to redefine how we produce, consume, and dispose of goods and materials. Unlike the traditional linear economy, which follows a “take-make-dispose” pattern, the circular economy promotes a closed-loop system.

Our Triple Bottom Line focus on environmental sustainability has always shared similarities with this system, but now we can apply our guide to a more widespread movement. As more businesses and industry leaders shift in this direction, our attempts will be even easier.

Noble Polymers continues its effort to supply high-quality materials to both the FoC and our customers.

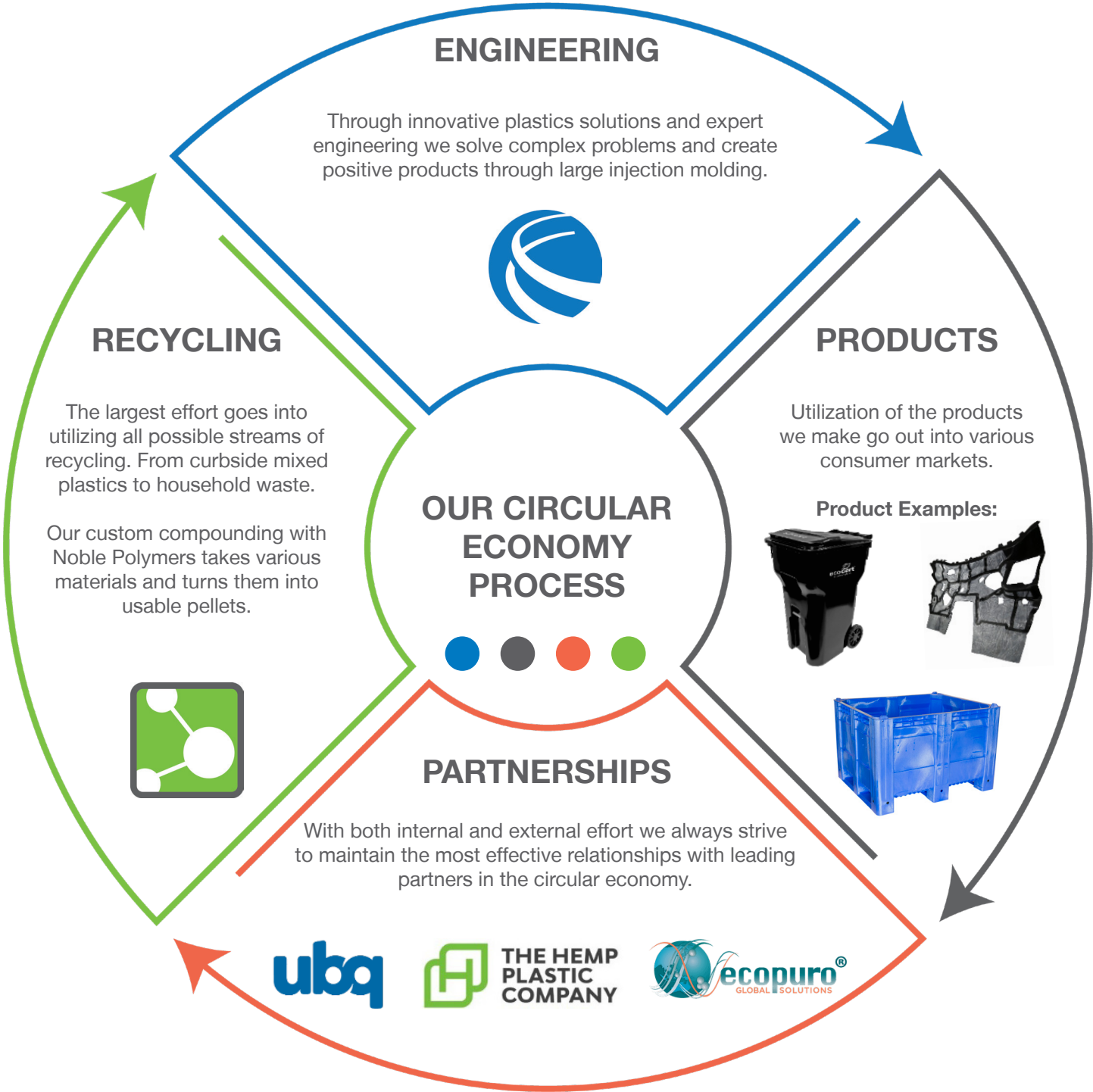


UBQ™ Materials recognized Cascade Engineering as a Global Trailblazer for our work and dedication to supporting a circular economy. Their 2022 issue of Global Trailblazers identified CE and 10 other leaders in global sustainability.

How do you see your role within your industry and the economy at large in the advancement of a sustainable tomorrow?

“As a Triple Bottom Line company we believe in leading by example. We encourage and empower our teams to be leaders of the future. Our teams work every day to reach zero waste to landfill while creating products that are adaptable and sustainable. The Cascade Engineering teams are continuously investigating materials, including UBQ™, which will help create a circular economy.”

~Christina Keller



CAMPUS-WIDE IMPROVEMENTS

Reducing our environmental footprint is a TBL priority. During 2022 we began an extensive renovation process that would envelope part of 2022 and most of 2023. This plan involves refreshing our office spaces and production areas across all six facilities on our Grand Rapids campus.

On June 6 2022, the Buursma Plant was the first facility in line to kick off our ongoing renovation agenda.

We continue investing in new presses for a more efficient operation, dropping oil and water consumption while increasing consistent quality of product and optimizing cycle time.



One portion of this process was updating our recycling approach across campus. Since we launched this initiative, we designated collection points for recycling based on category. For the first time, we rolled out one consistent method to be utilized in every facility. Utilizing our own carts and updated visuals, the new standard makes the process clear wherever you are on campus.

This eye-catching and intuitive system realized immediate success and recognition throughout our facilities. The new look coincided with internal communications about the updated standards and the importance of proper recycling.

We pride ourselves on our recycling efforts. This internal roll-out was a great win for us, reinforcing our commitment to the fundamentals and creating a standard to build on.





ECOCART'S CONTINUED SUCCESS



The EcoCart launched in 2020 and is a continued success for Cascade Cart Solutions. Using a closed-loop system, we pull hard-to-recycle plastic right out of the recycling program—and put it into our EcoCart. It delivers the same durability, shape, and performance expected from every Cascade Cart. It is the first cart that has ever been manufactured with residential bulky rigid plastics collected curbside.

The EcoCart won the Design for Recycling® Award from the Institute of Scrap Recycling (ISRI). To be eligible for ISRI's Design for Recycling® Award, a product must be designed/redesigned and manufactured to:

- Contain the maximum amount of materials that are recyclable;
- Be easily recycled through current or newly designed recycling processes and procedures;
- Be cost effective to recycle whereby the cost to recycle does not exceed the value of its recycled materials;
- Be free of hazardous materials that are not recyclable or impede the recycling process;
- Minimize the time and cost involved to recycle the product;
- Reduce the use of raw materials by including recycled materials and/or components; and
- Have a net gain in the overall recyclability of the product while reducing the overall negative impact on the environment.

ISRI began presenting the award more than 10 years ago. Previous winners include Lexmark, Nestlé Waters North America, Dell Inc., EcoStrate, Samsung, LG Electronics, Inc., Cascades Fine Papers Group, Hewlett-Packard, The Herman Miller Company, and Wind Simplicity.

PROFIT

With our Triple Bottom Line model, generating positive returns benefits all stakeholders, not only the shareholders. Through profitable manufacturing work, we are able to invest more deeply in our People and the Planet. Our profitability is the key to making a difference in the world.



ORGANIZATIONAL EXCELLENCE

Reinvesting in our Equipment, Facilities and our People

2022 was a time of growth and improvement. New presses were installed and contributed to much of our success. Additional investments in tools and robots have made the most of these upgrades.

We saw the return on our investment immediately. The renovation process extended beyond machines in each facility on the Grand Rapids campus. From furniture to paint, technology and layouts made the tranformation impossible to miss.

Key metrics we use to analyze our operations went up, including OEE (Overall Equipment Effectiveness), utilization of equipment and total carts produced.

Our success maintaining a strong work force also reduced downtime and kept our presses running. The increase in parts produced meant we needed a fully staffed operation to keep up with the demand.

For example we started the year on-pace for cart production. We steadily climbed above weekly goals for most of the year. For every cart sold we also have to make the lids and wheels, which are produced at other plants. In tandem, we were lowering our ‘No Operator’ numbers at a matching pace. Cascade Engineering is incredibly proud of the cross-campus effort towards the years success.



Looking Forward to the Future

We are excited about the future and other products on the horizon. With our focus on the future, our manufacturing capabilities and technical performance are on the rise. The strategic dedication of resources to our buildings, technology and teams is laying the foundation for a profitable and exciting journey of growth and innovation.

DECADE PRODUCTS

Transition to a Supplier Relationship

Decade Products has been a joint-venture business of Cascade Engineering for 22 years. This year they converted to a supplier relationship under parent company Dolav Plastic Products. This change allows Dolav to strategically invest and grow Decade here in the U.S. and beyond.

Cascade Engineering is very proud of what we have accomplished during our partnership, and we will continue to support one another as we both grow in the plastics industry. CE looks forward to being a supplier to Decade as they set sites on growth.

Our production of Decade bins will continue, making this a win-win. These bins are known for solving customer problems in the material handling, food processing and agriculture markets. Dolav is known as one of the leading pallet and pallet bin manufacturers in the world.

All of our employees transitioned to Decade/Dolav employees, including their newest additions from Cascade's Corporate Teams. After 20 years of service to CE, Becki Vander Lugt took on the role of Decade's Human Resources, Lean, and Safety Administrator, responsible for employee engagement and development. After 25 years of service to CE, Joe Maier also joined the Decade team as their Financial Leader.



CASCADE ENGINEERING EUROPE

Record Sales in Hungary

Zsolt Szincsak and his team in our Budapest, Hungary location have built a successful model for the growing fluid connector business with the automotive OEMs throughout Europe.

During 2022 the first fluid connectors were produced out of Grand Rapids and sent to Akwell in Mexico. Congratulations to the teams on both sides of the ocean making CEE a global supplier of fluid connectors.

Despite major disruptions in the region including the war in Ukraine and the energy crisis in Europe, we ended the year with a record in total sales in CEE's History. The extremely strong sales were due to the successful fluid connector launch and plastic battery components supplied to Samsung SDI.

~Zsolt Szincsak, President of Cascade Engineering Europe



CASCADE CART SOLUTIONS

Cascade Cart Solutions remains a pillar of success in the waste and recycling industry. During 2022 the CCS team exceeded top line goals, broke fiscal records and maintained a steady course in production and sales.

Milestones included a new record for single day production and exceeding expectations for carts produced during the fiscal year.

Success in these areas came back to the investments in new presses. The Buursma Plant has incorporated the two ENGEL presses to streamline production, keeping quality high while increasing capacity to support our growth strategy.



MICHIGAN DEPARTMENT OF
ENVIRONMENT, GREAT LAKES, AND ENERGY

The State of Michigan’s Department of Environmental, Great Lakes and Energy (EGLE) provided Cascade the funding for a new silo. The Recycling Grant was provided by the Materials Management Division provided. It was unprecedented for the State to provide funding like this for a private company.

This new silo will exclusively hold EcoCart 105M2 material, which will be key to support the increased demand for the popular product. Our efforts to use curbside recycled material in our products continue with the goal to increase the percentage of recycled content.



METRICS

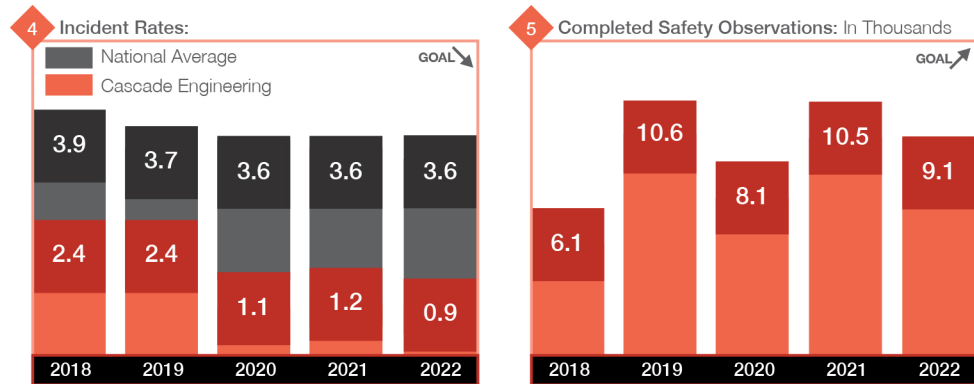
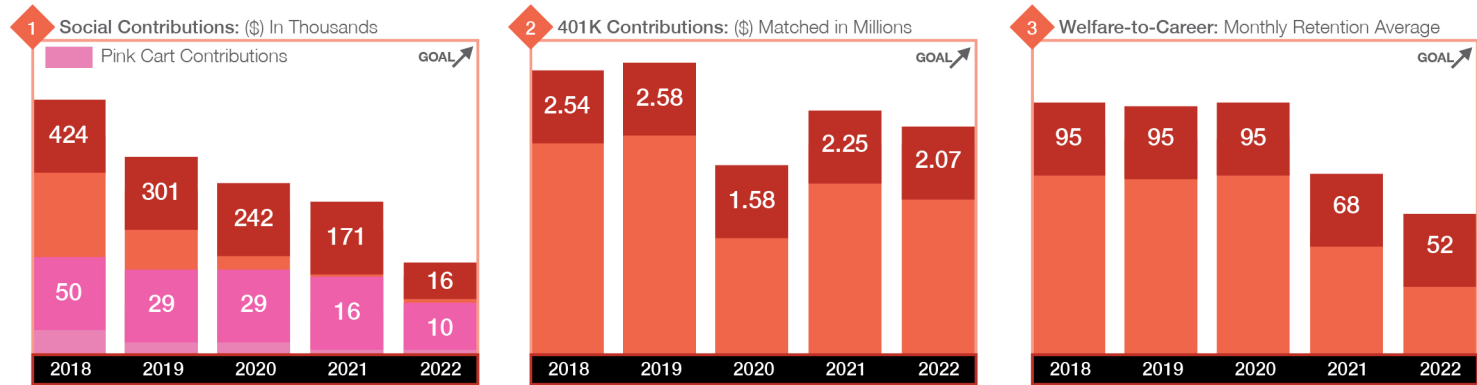
Our Triple Bottom Line Report culminates with company metrics. It is important for us to be transparent and reflect significant data streams that support our TBL philosophy.



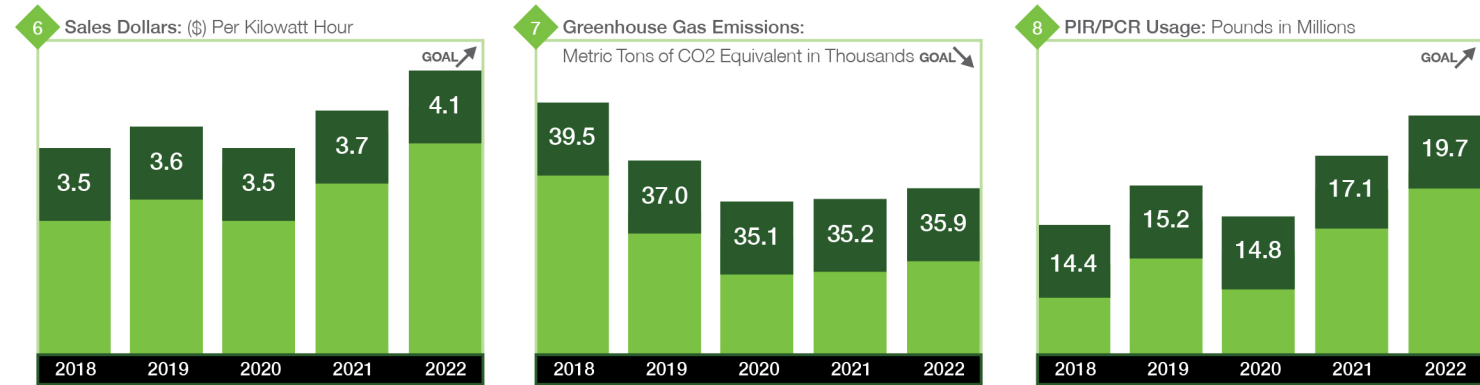
TBL SCORECARD



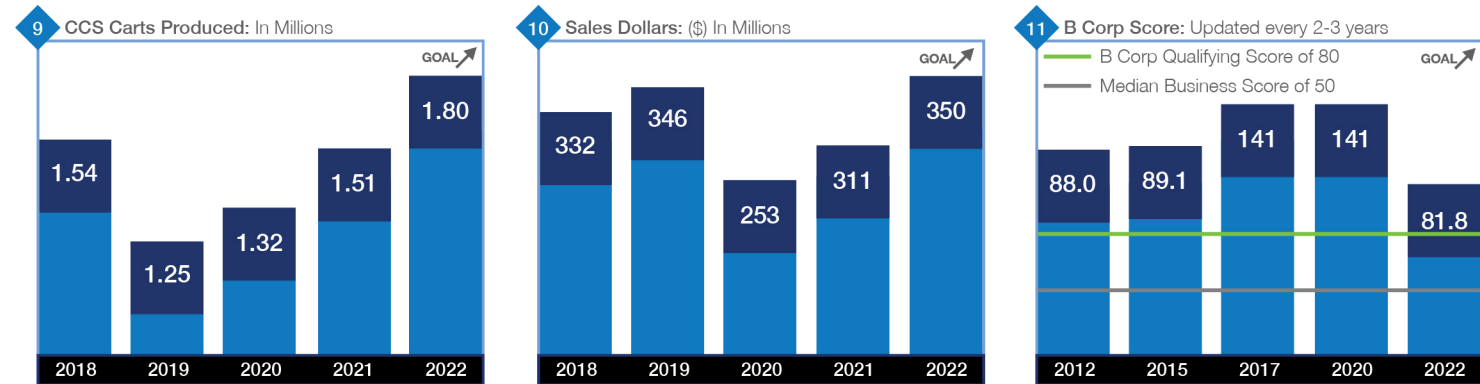
PEOPLE



PLANET



PROFIT



*With the sale of CKT, data points have shifted to represent the Grand Rapids campus only.



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2022 Cascade Engineering

