



EOH

EMPLOYEE OWNED HOLDINGS, INC.

2025 Sustainability Report

Powered by Ownership.
Empowering a Sustainable Future.

Environmental Stewardship

At Employee Owned Holdings, Inc. (EOH), our family of companies prefer to take an energy-agnostic approach to sustainability — focusing not on any single technology, but on delivering the most efficient and sustainable solution for the application. Whether the answer is electrification, hybrid systems, or energy-optimized hydraulics, we work alongside our customers to design systems that reduce environmental impact without compromising performance. Electrification plays an increasingly important role in that mission, helping us meet the growing demand for cleaner, smarter, and more efficient power systems.

Electrification Initiatives: Powering Sustainable Futures

For 2025, **GCC** expects 15% of its revenue to come from electrification projects, reflecting long project life cycles and the rollout of new solutions. The company continues to expand its use of Bosch Rexroth's CytroBox, which delivers energy efficiency through a servo motor-driven hydraulic system that reduces pressure losses, minimizes leakages, and uses a material-optimized design. The CytroBox has already been applied for use in separate aerospace and entertainment projects.

In addition to electrification, GCC supports sustainability through:

- Repair and remanufacturing, extending product life and reducing waste
- Energy-efficient system design using advanced control techniques
- Supplier partnerships aligned with responsible sourcing practices



Hydraquip is accelerating its electrification strategy through the capabilities of its Electric Systems division, which delivers fully integrated, value-added solutions across a wide range of industries. In 2025, Hydraquip anticipates approximately 12% of its total revenue will come from electrification projects, driven by increased demand and key partnerships.

The company is actively collaborating with Danfoss Editron and Danfoss Drives to supply high-efficiency electric systems. These partnerships have enabled Hydraquip to expand beyond its traditional focus on oil & gas and construction, into emerging markets like power generation and nuclear energy, where electrification is becoming both viable and necessary.

Hydraquip's approach to electrification includes:

- Providing integrated electric motor and drive systems
- Supporting system-level transitions from hydraulic to electric
- Applying data-driven control strategies for efficiency



By combining deep motion control expertise with tailored electrification technologies, Hydraquip delivers sustainable, future-ready solutions that meet the evolving needs of customers across several sectors.

Supreme Integrated Technology (SIT) continues to drive electrification into heavy-duty and mission-critical systems across marine, defense, and industrial markets. These complex environments require robust, reliable solutions — and SIT is meeting the challenge through strategic innovation.

For 2025, SIT projects 8–10% of its revenue will be based from electrification projects, supported by a growing pipeline of electric drive opportunities. A key enabler is SIT's partnership with Danfoss Editron, whose compact, high-efficiency powertrain systems are capable of performing in harsh operating conditions.

The EDITRON platform uses permanent magnet motors and ruggedized inverters designed for maximum power density and energy efficiency. These technologies are a natural fit for SIT's applications and are expected to transition from development to delivery in 2025.

SIT's electrification efforts include:

- Integration of electric motors and drives into custom subsystems
- Development of tailored control systems to optimize performance
- Delivery of low-emission, high-performance solutions for complex applications



Social Welfare

FUELing Our Culture: Family, University, Employee Ownership, Local Communities

At EOH, we recognize that sustainability isn't just about environmental impact—it's also about people. Through FUEL—Family, University, Employee Ownership, and Local Communities—we continue to foster a workplace that supports, develops, and empowers every employee-owner. In 2024, we expanded this program with new initiatives, strengthened engagement, and deepened our impact in the communities where we live and work.

Family

We are focused on bringing employees and their families together outside of work, recognizing that strong relationships create a stronger culture. We hosted family summer picnics at multiple locations in 2024, providing an opportunity for employees to connect and celebrate with their loved ones. These events reinforced our commitment to building a workplace where employees feel valued both personally and professionally.

University (Employee Training)

EOH remains dedicated to developing the next generation of talent. In 2024, we launched Hydraquip EmpowerU, a structured training program designed to prepare early-career professionals for success in sales and technical roles. We also hosted our annual Engineering Summit, which highlighted the evolving role of technology in our industry and featured a guest speaker on the topic of AI in engineering. Internship opportunities continued to expand across the company, with 11 summer interns joining us in 2025 from universities across the country, including Texas A&M, University of South Florida, Gonzaga University, and Rice University. The hands-on experiences provided will allow students to apply their skills, gain industry insight, and connect with professionals in the field.

Employee Ownership

EOH is built on the foundation of employee ownership, and in 2024, we reinforced that culture with new events and recognition programs. Our annual employee ownership celebration in Houston featured a volleyball tournament to help strengthen camaraderie across teams. We also honored our EOH Values Award winners, as recipients were invited to Houston for a special recognition event, celebrating their critical contributions to our culture and success.

Employee engagement remains a priority, and this focus is reflected in our rolling 12-month voluntary employee turnover rate, which has dropped to 6% at the beginning of 2025—a testament to the strength of our workplace culture and ongoing investment in our people.



Local Community

EOH is committed to making a difference beyond our workplace. In 2024, we continued our long-standing partnerships with St. Jude Children's Research Hospital, Toys for Tots, and our in-house EOH Elf Program, ensuring children in need—many personally connected to our employees—received gifts and support during the holiday season.

None of these initiatives would be possible without the dedication of our local FUEL leaders, who worked tirelessly to coordinate events, drive participation, and strengthen our community outreach. We thank all our FUEL leaders for their commitment and leadership in making a positive impact throughout the year.

As we move forward, EOH remains committed to cultivating an engaged, inclusive, and high-performing workforce—one that reflects our core values and supports the long-term success of our employee-owners.

Demographics & Inclusion

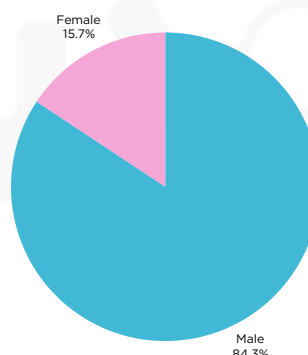
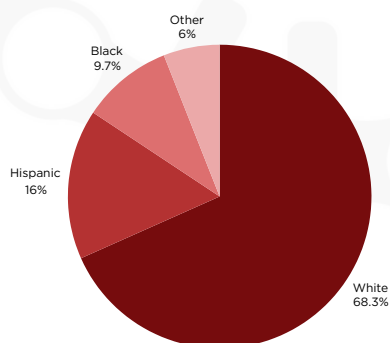
With a significant gender gap identified in last year's Sustainability Report, a significant step toward fostering a more inclusive workplace was taken with the launch of LIFT (Leading Industry Females Together). This initiative provides mentorship, networking, and professional development opportunities for female professionals across our companies. LIFT hosts quarterly guest speakers from our industry, offering insights on leadership, career growth, and navigating technical fields. Through this effort, we are excited to see increasing representation and support for women in our workforce.

Currently, 84.3% of our workforce identifies as male, while 15.7% identifies as female. As we continue to see programs developed like LIFT, we aim to create meaningful opportunities for female professionals to grow, lead, and succeed within our organization.



EOH also remains focused on building a diverse and inclusive workforce that reflects the communities we serve. Millennials (1981–1994) and Generation X (1965–1980) each make up approximately 34–35% of our workforce, with Generation Z (1995–2010) representing 17.4%, demonstrating our success in attracting younger talent. Baby Boomers (1945–1964) account for 13.1%, while Pre-Baby Boomers (<1944) represent 0.3%.

Our workforce reports as 68.4% White, 16.0% Hispanic, 9.7% Black, 2.3% Asian, 2.3% Two or More Races, and 1.4% Other. We continue to evaluate opportunities to foster a more diverse, inclusive and representative employee base.



Governance

At EOH strong governance ensures the continued success of our employee-owned business. In 2024, we prioritized leadership succession, strategic territorial expansion, ethical governance, and ongoing growth—all while maintaining the trusted relationships that define our partnerships.

Leadership Succession: Promoting from Within

A significant milestone this year was the promotion of Eric Martin to President of EOH. Eric’s career with EOH began nearly 20 years ago at Hydraquip, where he excelled as an Account Manager and was a three-time Salesperson of the Year. His leadership skills and deep industry knowledge propelled him into senior roles, eventually leading to his transition to Supreme Integrated Technology (SIT) in 2021 as Sales Director. From there, he quickly advanced to Vice President of Sales and General Manager of SIT Houston, driving significant growth and operational success.

Eric is also a respected voice in our employee ownership structure, having been elected by fellow employee-owners to the EOH Board of Directors four times (2021-2025). His deep understanding of our business, combined with his ability to lead teams and cultivate strong partnerships made him the ideal choice to step into the President role. As President, Eric works alongside EOH CEO Richard Neels and the Board of Directors to guide EOH’s long-term strategic growth, including:

- Strengthening our employee stock ownership plan (ESOP)
- Evaluating strategic acquisitions to expand our capabilities and market reach
- Driving technological advancements and innovation across our companies

With Eric’s leadership, we are confident in our ability to grow and evolve while remaining true to the values of employee ownership that define EOH.

Leadership Team



Richard Neels
Chief Executive Officer



Eric Martin
President



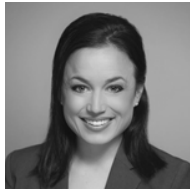
Michael Davis
General Council



Paul Oliphant
Chief Financial Officer



Evan Trapp
VP, Information Technology



Jen Munro
Chief Operating Officer



Patrick Strimple
Human Resources Director

Board of Directors & ESOP Trustee

EOH remains committed to ensuring that its Board of Directors represent the best interests of our employee-owners. Eric Martin’s promotion provides an opportunity for another employee-elected representative to step forward as directed pursuant to the Company’s Bylaws, reinforcing our commitment to participative governance. Our ESOP trustee remains unchanged with Kimberly Serbin of TI-Trust, ensuring continuity in oversight and excellent long-term planning for our employee ownership structure.

EOH’s governance model prioritizes transparency, accountability, and employee participation, positioning us for sustainable success while remaining true to our core values as an employee-owned company.

Board of Directors



Richard Neels



David Tyler



Eric Martin



Mark Helm



Kevin Hayes



Randy Bishop



David Thun

Strategic Expansion: Growth in New Territories

Our ability to expand our business footprint and serve new customers remains a priority. In 2024, GCC and Hydraquip both secured new territories with their primary vendors, strengthening their market presence:

- GCC expanded into: North Carolina, South Carolina, Virginia, West Virginia, Georgia, and Tennessee in partnership with Bosch Rexroth.
- Hydraquip gained new coverage in: Tennessee, Mississippi, Colorado, Oklahoma and Arkansas through its collaboration with Danfoss.

These new territories allow our company to bring our expertise, innovation, and customer-driven solutions to more industries and regions, further solidifying our leadership position in motion control and system integration.

EOH remains deeply committed to adhering with ethical business practices and maintaining clear boundaries between our entities. As we continue to expand, we recognize the importance of preserving the trust of our valued manufacturer partners by ensuring that our companies operate with transparency, fairness, and respect for our longstanding relationships.

Our ability to deliver innovative solutions while maintaining the integrity of our partnerships is a cornerstone of our success. We look forward to leveraging our growth by bringing new solutions to customers while upholding the ethical standards that define EOH.

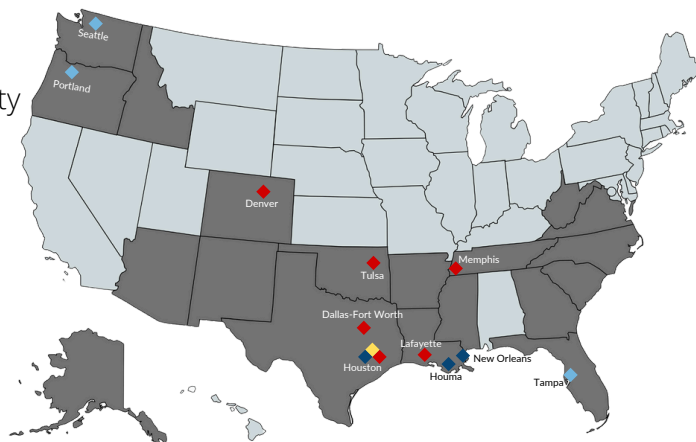
Strategic Growth Through Acquisition

EOH continues to pursue strategic acquisitions to strengthen our capabilities, enter new markets, and provide greater opportunities for our employee-owners. As an employee-owned company, our growth strategy is designed to enhance long-term value while preserving the culture, integrity, and technical expertise that define our organization.

We actively evaluate acquisition opportunities that align with our core businesses, looking for companies that:

- Expand our technological and service capabilities
- Strengthen relationships with key manufacturer partners
- Support our long-term commitment to innovation and sustainability
- Complement our existing customer base and industry focus
- Provide sensible diversification and business justification

Through any acquisitions, we aim to accelerate growth while reinforcing the stability and strength of our ESOP structure, ensuring continued opportunities for both existing and new employee-owners.



Looking Ahead

2024 has been a year of strong leadership transitions, continued employee ownership growth, and strategic market expansion. With Eric Martin serving as President, new territories and opportunities being established, and a steadfast commitment to ethical governance and acquisitions, EOH is well-positioned to continue delivering value to our customers, partners, and employee-owners for years to come.

Employee ownership is our foundation. Strong governance ensures our future.