

 Ducommun

**175 YEARS**  
1849 • 2024



**2023**

Corporate & Environmental  
Responsibility Report

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# Frequently Used Terms

(the) Board	The Board of Directors of Ducommun Incorporated
AST	Above-ground Storage Tanks
BCP	Business Continuity Plans
BLR	BLR Aerospace, LLC
CDP	Carbon Disclosure Project
CERCLA	U.S. Comprehensive Environmental Response Compensation, and Liability Act
CER	Corporate & Environmental Responsibility
CFR	Code of Federal Regulations
CTP	Certified Thermoplastics Co., LLC
Ducommun, the Company, we, our, us	Ducommun Incorporated (NYSE: DCO) and its wholly-owned subsidiaries
EHS	Environmental, Health, and Safety
EMS	Environmental Management System
EPA	Environmental Protection Agency
ESPP	Employee Stock Purchase Plan
FY	Fiscal Year
GHG	Greenhouse Gas
GJ	Gigajoules
Governance Committee	Corporate Governance and Nominating Committee
GRI	Global Reporting Initiative
HAP	Hazardous Air Pollutant
HVAC	Heating, Ventilation, and Air Conditioning
ISO	International Organization for Standardization
IWD	Individuals with Disability
kg	kilograms
KPI	Key Performance Indicator
kWh	Kilowatt per hour
LDS	Lightning Diversion Systems, LLC
LED	Light-emitting diode
MagSeal	Magnetic Seal, LLC
MFGDay	Manufacturing Day
Nobles	Nobles Worldwide, Inc.
NOV	Notice of Violation
NOx	Nitrogen oxides
NYPA	New York Power Authority
NYSE	New York Stock Exchange
OC United Way	Orange County United Way
OSHA	U.S. Occupational Health and Safety Administration
ODS	Ozone depleting substances
POTW	Publicly Owned Treatment Works
PPE	Personal Protective Equipment
this Report	This 2023 CER Report
SASB	SASB Standards, now overseen by the International Sustainability Standards Board (ISSB) of the International Financial Reporting Standards Foundation.

## Frequently Used Terms

SEC	Securities and Exchange Commission
SOx	Sulfur Oxides
STEM	Science, Technology, Engineering and Math
TCFD	Task Force on Climate-Related Financial Disclosure
UST	Underground Storage Tanks
VOC	Volatile Organic Compound
WSU	Wichita State University

# A Message from Our Chairman and CEO

Entering into our 175<sup>th</sup> year in business, I am proud to present our fourth annual Corporate and Environmental Responsibility Report to our stakeholders, a strong statement to our continuing effort to make a positive impact in the communities in which we operate through responsible and sustainable business practices.

As always, safety lies at the heart of our results-driven culture and we made significant progress in this area with continued improvements along key metrics, which include zero lost time incidents in 2023, a record for us. We are also very mindful of our environmental footprint and implemented several initiatives that helped to reduce our combined Scope 1 and 2 GHG emissions by 34% for 2023 compared to 2019 levels, increasing our reliance on renewable energy sources and implementing recycling efforts across Ducommun to minimize waste sent to landfills.

In addition to reducing our environmental footprint, we continued to actively support local, regional, and national non-profit and charitable organizations that make a difference in the communities in which we operate. The Ducommun Foundation, a Section 501(c)(3) organization that serves as Ducommun's philanthropic arm, has donated approximately \$1.8 million since its inception in 2019 to assist organizations that support our veterans, active service members and military families, and efforts to end homelessness in local communities. Over the past year we were also proud to be named a partner of the Los Angeles Sports & Entertainment Commission's (LASEC) ChampionLA initiative, which is dedicated to hosting leading sports and entertainment events in the L.A. metropolitan area that drive lasting social and economic impact in our communities. The LASEC organization drove \$440 million in economic impact to the region in 2023. Additionally, we again sponsored the STEM on the Sidelines™ initiative, now in its sixth year, which is an annual regional competition promoting STEM education in L.A. and Orange County high schools, with over 700 students having benefited from their involvement in the program since its inception in 2018, to help build a bright future starting with investing in students.

As a result of these efforts, we were thrilled to be named to *Newsweek* magazine's list of most responsible companies for 2024 in recognition of our commitment to corporate social responsibility and long-term sustainability.

Thank you for your continued trust in Ducommun. We are very proud of our accomplishments and look forward to sharing our progress on the focus areas identified in this report in the future.

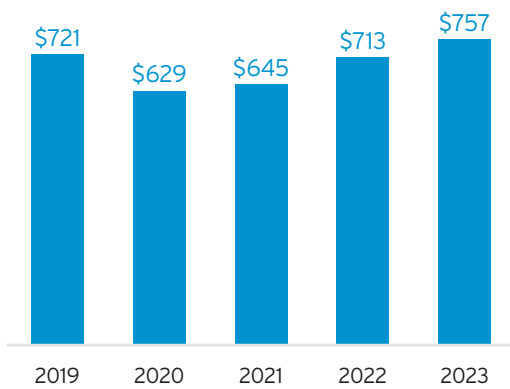
**Stephen G. Oswald**  
*Chairman, President and Chief Executive Officer*

# Company Overview

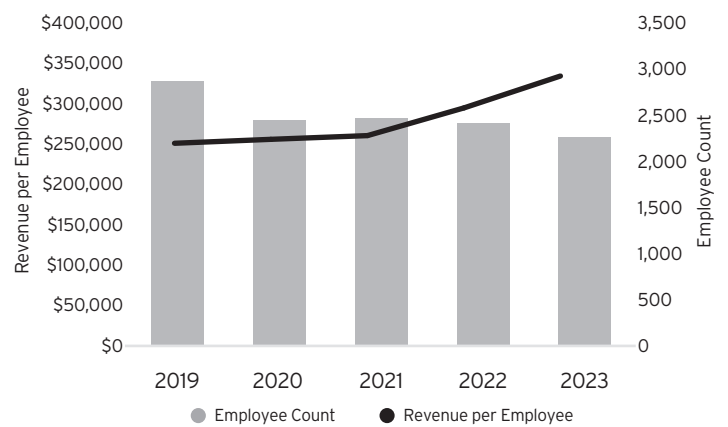
Ducommun is a global provider of manufacturing, design and engineering services, delivering innovative, proprietary products and value-added solutions to customers in the aerospace, defense, and industrial markets. Founded in 1849, the Company has two reporting segments - Electronic Systems and Structural Systems - that produce complex products and components for commercial aircraft platforms, mission-critical military and space programs, and sophisticated industrial applications. Ducommun is committed to respecting, fostering, and advancing the interests of its stakeholders, including customers, suppliers, shareholders, and the communities where we operate.

Below is a summary of Ducommun’s operations between 2019 and 2023:

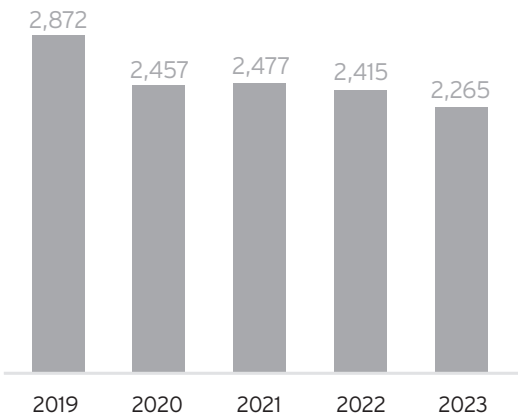
Revenue (in \$millions)



Revenue per Employee



Employee Count (2019 – 2023)



Performance Center Locations



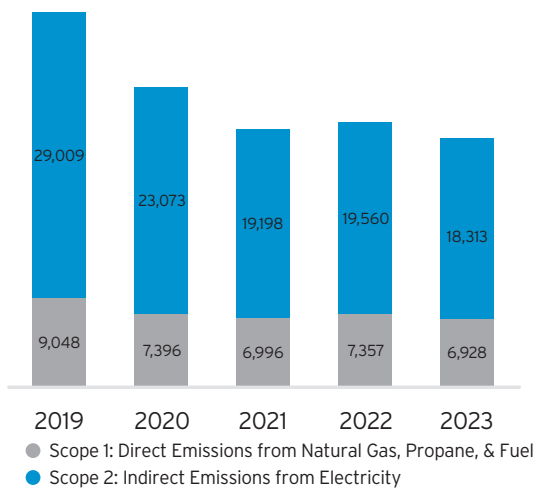
# 2023 Corporate & Environmental Responsibility Report Highlights

Ducommun is proud to present this report to communicate to our stakeholders the key initiatives and continued development of our CER program since the publication of Ducommun’s first CER report for the 2020 FY. Below is a summary of our CER highlights from 2023.

## Environmental

### GHG EMISSIONS

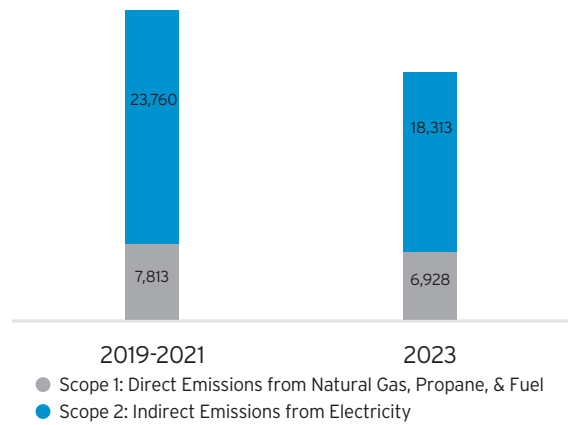
Scope 1 and 2 GHG Emissions (metric tons of CO<sub>2</sub>e) vs Reductions %



In 2023, Ducommun reduced its combined Scope 1 and 2<sup>1</sup> GHG emissions by 37% compared to the baseline year of 2019, **normalized to revenue**<sup>2</sup>, and by 16% compared to the baseline year of 2019, **normalized to employee count**<sup>3</sup>.

### THREE-YEAR AVERAGE (2019-2021) BASELINE VS 2023

Scope 1 and 2 GHG Emissions (metric tons of CO<sub>2</sub>e) Three-year average baseline vs 2023



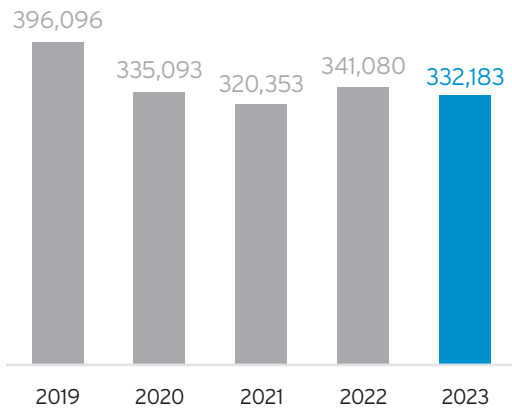
In 2023, Ducommun reduced its combined Scope 1 and 2 GHG emissions by 30% compared to a three-year average (2019-2021), **normalized to revenue**, and by 8% compared to the three-year average (2019-2021), **normalized to employee count**.

<sup>1</sup> Scope 2 emissions were calculated using both market-based and location-based methodologies. Ducommun does not use carbon credits or renewable energy credits to offset its Scope 2 emissions.

<sup>2</sup> The reduction in 2023 combined Scope 1 and 2 GHG emissions, normalized to revenue, is calculated by subtracting the 2019 emissions-to-revenue ratio from the 2023 emissions-to-revenue ratio, and then dividing by the 2019 emissions-to-revenue ratio.

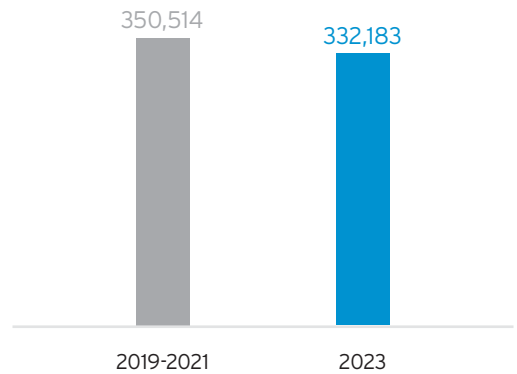
<sup>3</sup> The reduction in 2023 combined Scope 1 and 2 GHG emissions, by employee count, is calculated by subtracting the 2019 emissions-to-employee count ratio from the 2023 emissions-to-employee count ratio, and then dividing by the 2019 emissions-to-employee count ratio.

**2019 BASELINE VS 2023**  
Total Energy Use (GigaJoules)



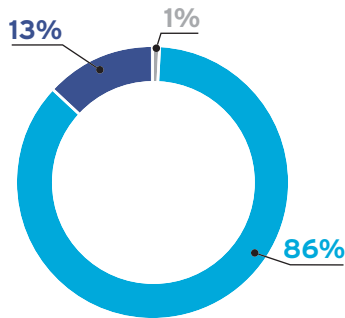
Ducommun's total energy usage (combined electricity and natural gas) decreased by 16% compared to 2019 baseline levels, **on an absolute basis**.

**THREE-YEAR AVERAGE (2019-2021) BASELINE VS 2023**  
Total Energy Use (GigaJoules) Three-year average baseline vs 2023



Ducommun's total energy usage (combined electricity and natural gas) decreased by 5% compared to a three-year average (2019-2021) baseline, **on an absolute basis**.

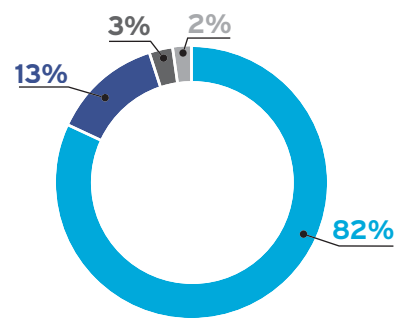
**HAZARDOUS WASTE RECYCLING**  
2023 Total Hazardous Waste Volume Disposed vs Volume Reclaimed Offsite and Reclaimed and Reused Onsite



- Total Hazardous Waste (RCRA & NON-RCRA) Disposed
- Total Hazardous Waste (RCRA & NON-RCRA) Reclaimed and Reused Onsite
- Total Hazardous Waste (RCRA & NON-RCRA) Reclaimed Offsite

Ducommun reclaimed, recycled and reused 99% of the hazardous waste it generated in 2023.

**CHEMICAL RECYCLING**  
2023 Total Volume of Chemicals Recycled, Reused, and Reclaimed in lbs.



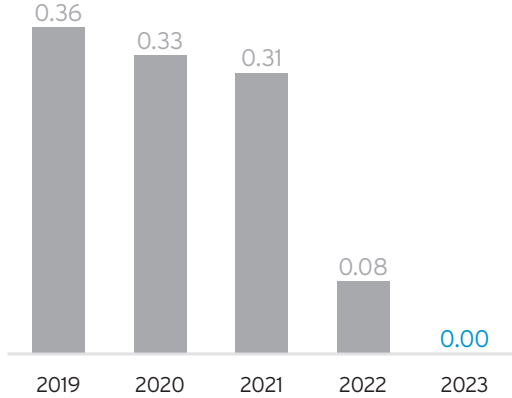
- Reused Onsite
- Saved during tank cleanout
- Reclaimed Offsite
- Reclaimed onsite

Ducommun recycled, reused, and reclaimed 82% of chemicals it used in its processes in 2023.

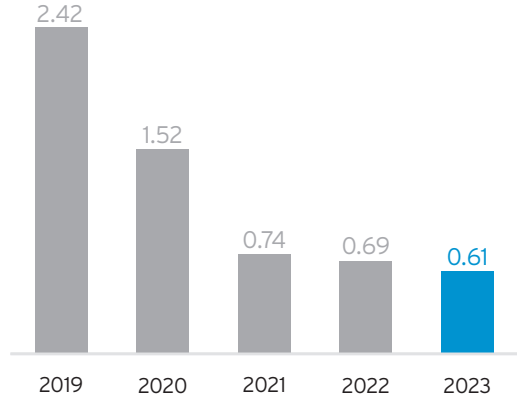


## Human Capital: Operational Safety

**LOST TIME INCIDENTS**  
Lost Time Incident Rate



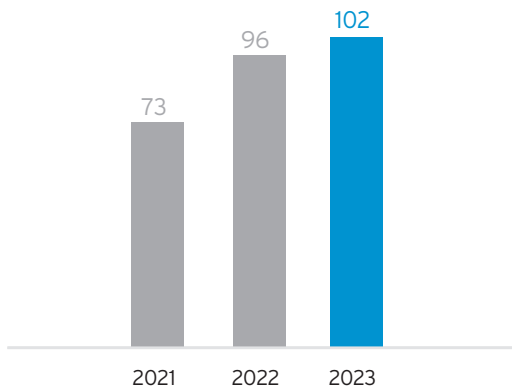
**RECORDABLE INCIDENTS**  
Total Recordable Incident Rate



Our Lost Time Incident Rate<sup>4</sup> decreased to zero in 2023.

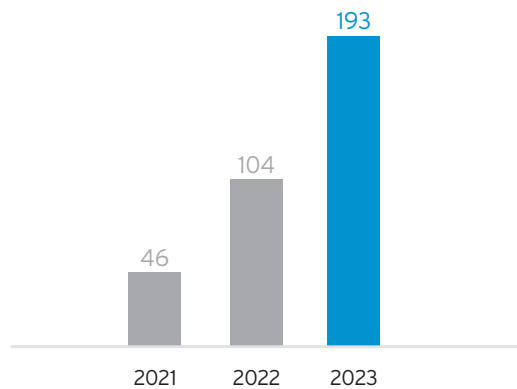
Ducommun's Total Recordable Incident Rate<sup>5</sup> improved by 75% since 2019 and by 12% compared to 2022.

**FIRST-AID INCIDENTS**  
Number of First-Aid Cases Reported<sup>21</sup>



Our First-Aid Incident reporting increased by approximately 40% since 2021<sup>6</sup>. Focusing our efforts on reporting first aid cases and investigations helps identify mitigation measures to prevent the recurrence of potential recordable injuries.

**NEAR MISS INCIDENTS**  
Number of Near-Miss Incidents Reported<sup>20</sup>

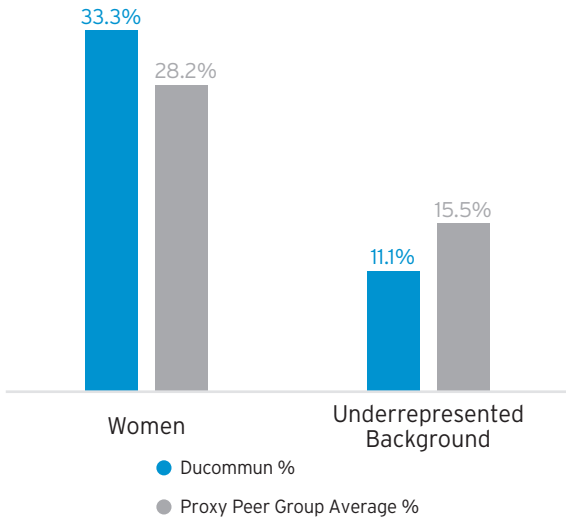


There has been more than a threefold increase in our Near-Miss Incident reporting<sup>7</sup> since 2021. Focusing on near miss reporting and corrective actions help reduce the number of lost time and recordable cases.

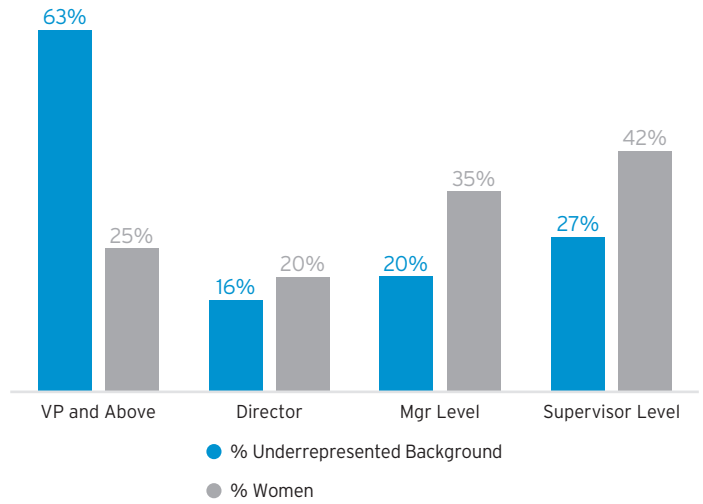
<sup>4</sup> Annual lost time incident rate is calculated by dividing the total number of lost time injuries in a year by the total number of hours worked in a year.  
<sup>5</sup> Total recordable incident rate is calculated by using the annual number of OSHA Recordable Cases multiplied by 200,000 and divided by total hours worked by all employees during the year. Note that the 200,000 figure in the formula represents the number of hours 100 employees working 40 hours per week, 50 weeks per year would work, and provides the standard base for calculating incidence rate for an entire year.  
<sup>6</sup> We first began reporting our first aid incidents in 2021, therefore only 3-years of data is presented for first aid cases.  
<sup>7</sup> We first began reporting our near miss incidents in 2021, therefore only 3-years of data is presented for near miss cases.

## Human Capital: Diversity & Inclusion

Percentage of Women and Individuals from Underrepresented Background on Ducommun's Board vs Proxy Peer Group Average



2023 Leadership Diversity at Ducommun

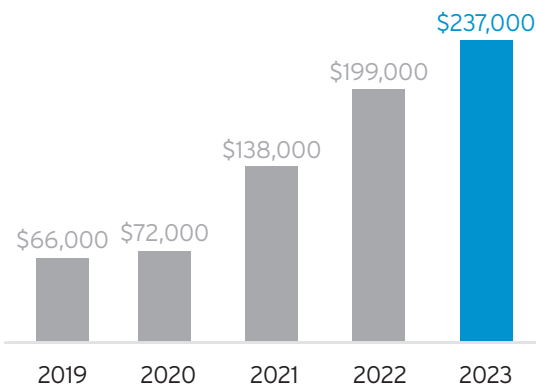


We are very proud that as of the date of this report over 40% of our board is comprised of women and an individual from an underrepresented background. Compared to our proxy peer group<sup>8</sup>, our Board is comprised of a higher percentage of women as depicted in the graph above.

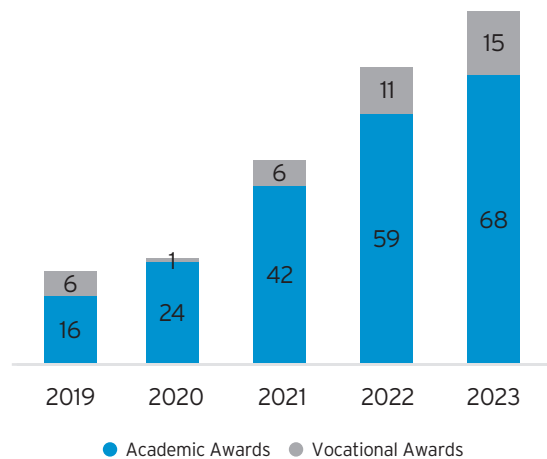
The total percentage of women and underrepresented employees in leadership positions at the Company as of December 31, 2023.

## Ducommun Scholarships Program

Total Value of Scholarships



Scholarships Awarded



The total value of scholarships awarded in 2023 was \$237,000, up 19% from the scholarships awarded in 2022.

Ducommun awarded 83 scholarships in 2023, an almost 19% increase from the 70 scholarships awarded in 2022.

<sup>8</sup> Our proxy peer group for the 2023 FY included: AAR Corp., AeroVironment, Inc., Astronics Corporation, Barnes Group, Inc., CIRCOR International, Inc., Heico Corporation, Hexcel Corporation, Kaman Corporation, Kratos Defense & Security Solutions, Inc., Mercury Systems, Inc., RBC Bearings Incorporated and Triumph Group, Inc.

# Core Values and CER Principles

Our core values of honesty, professionalism, respect, trust, and teamwork drive everything we do at Ducommun. Accordingly, and in support of Ducommun’s pledge to deliver exceptional value to all stakeholders, we are dedicated to supporting the following CER principles:

1. We will work to establish and strive to meet meaningful goals and objectives in our pursuit of EHS excellence.
2. We will endeavor to improve our EMS and work to assure that employee awareness and performance are priorities of our operational systems.
3. We will endeavor to continue to support human capital programs to increase the diversity of, and opportunities for, our workforce.
4. We strive to avoid adverse impact and harm to the environment in the communities where we do business and to identify business partners who share these values.
5. We will work to create a culture of compliance with all applicable laws and regulations pertaining to the environment and natural resources.

Our environmental policy goals are driven by our belief that environmental protection is an important consideration when setting our business practices and reducing operational risks for the long-term sustainability of our business. Accordingly, management is committed to environmental protection through leadership, investment, and engagement. As such, we strive to:

1. Eliminate spills, releases, and other environmental incidents by implementing effective administrative and engineering controls, training our employees on proper material handling practices and promptly investigating and correcting non-conformances.
2. Partner with suppliers who share Ducommun’s commitment to the environment and the prudent and safe use of natural resources.
3. Work collaboratively with state, local, and federal environmental agencies to seek ways to reduce our environmental footprint and improve the sustainability of our operations.

## How We Think About Materiality for CER Reporting Purposes

In developing our critical CER initiatives, we consulted with over thirty (30) stakeholders including customers, employees, and non-profit organizations to identify the CER issues most important to each. Stakeholders completed a survey requesting respondents to rank CER topics on a 4-point scale in order of their significance. As a result, the following CER initiatives were identified as being critical to Ducommun’s long-term sustainability, as depicted in order of importance based on the survey responses:

**Environmental**

- > Compliance with Environmental Protection Laws
- > Hazardous and Non-Hazardous Waste Generation and Recycling
- > Water Consumption & Recycling
- > Wastewater Discharge
- > GHG Emission and Reductions
- > Energy Usage
- > Climate Risk and Opportunity
- > EMS

**Social**

- > Employee Health, Safety and Wellness
- > Human Capital: Investing in our Employees to Support Efficient Workflow
- > Organizational Development: Building Talent and Opportunity
- > Employee Training and Development
- > Employee Engagement
- > Diversity, Equity & Inclusion
- > Investing in our Communities

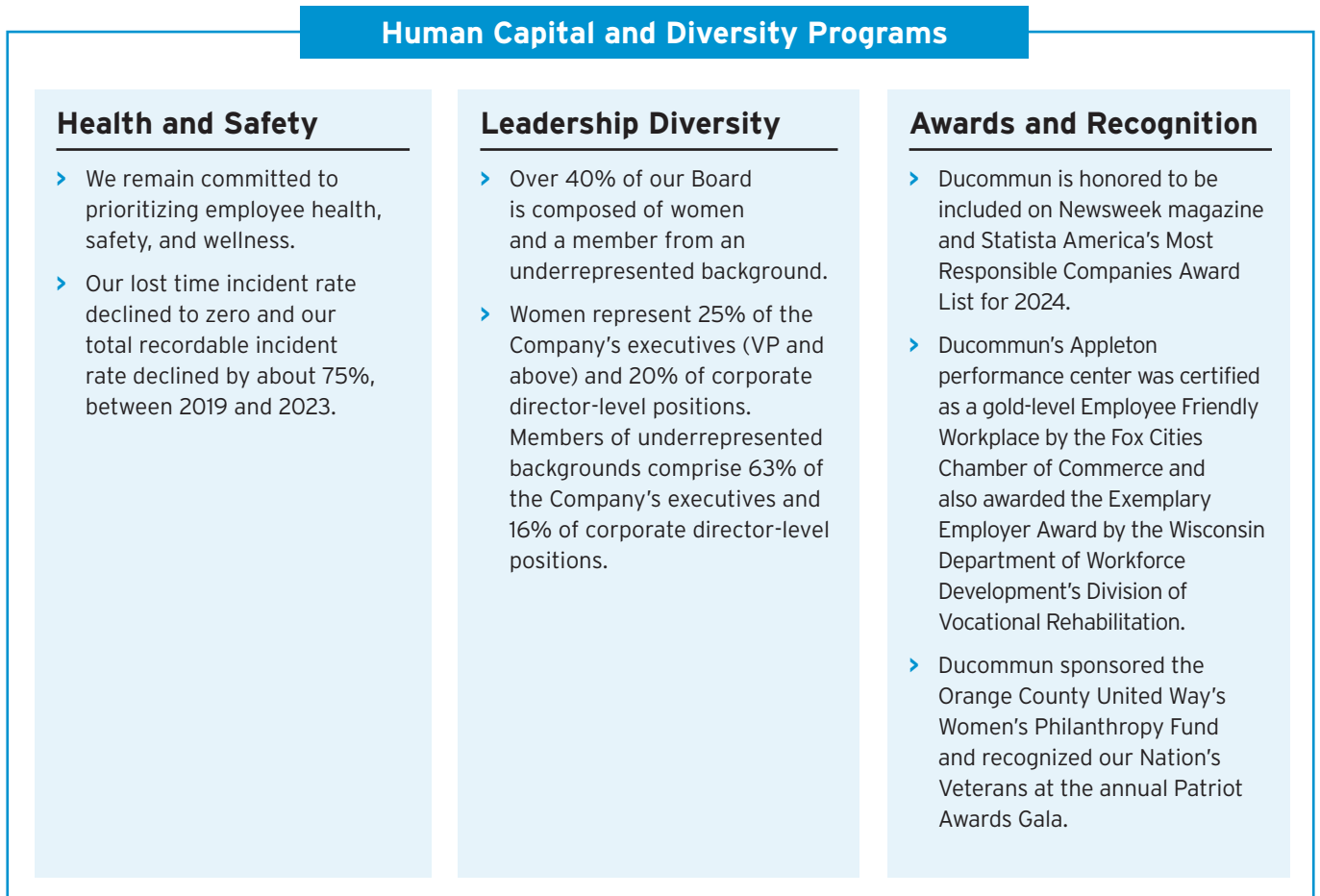
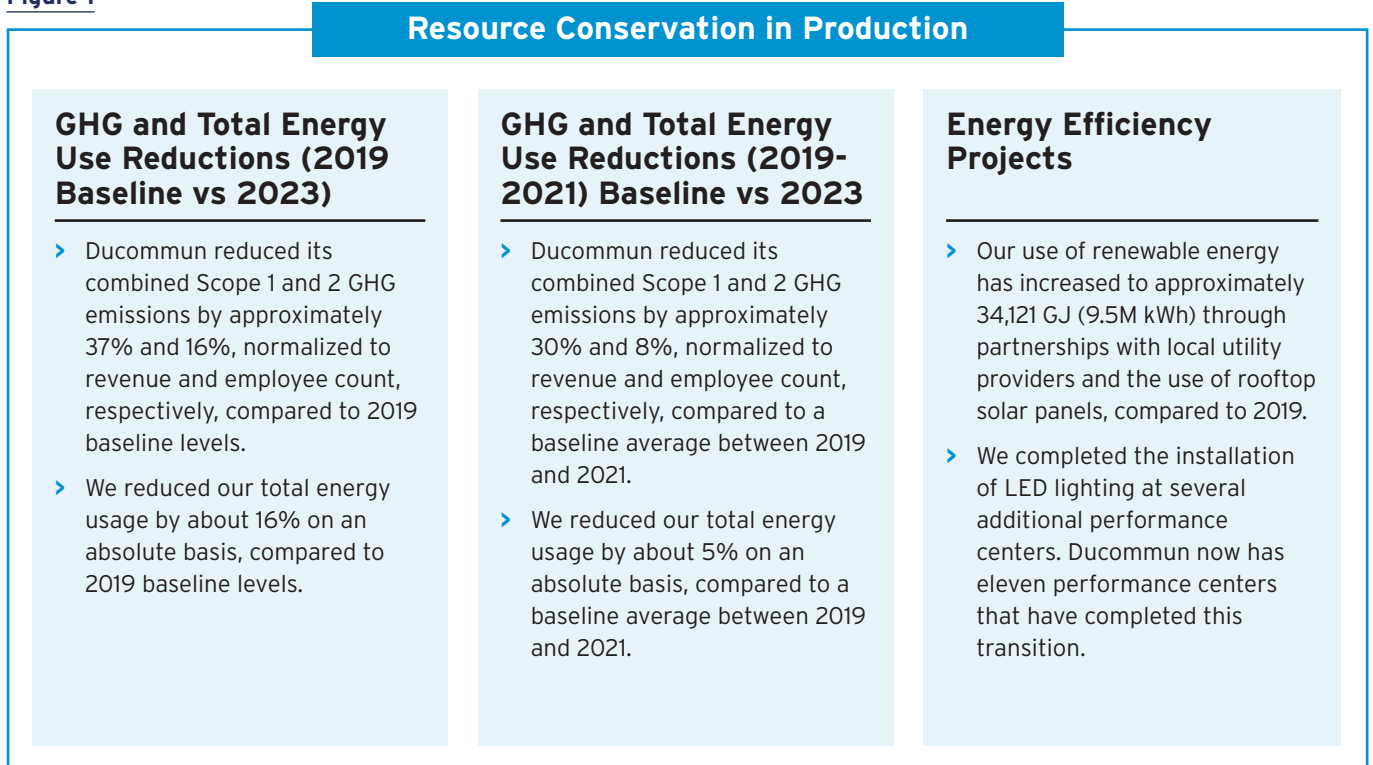
**Governance**

- > Ethics and Compliance
- > Financial Performance and Profitable Growth
- > IT and Cybersecurity
- > Risk Management & Business Opportunity
- > Supply Chain Engagement and Supplier Code of Conduct
- > Corporate Governance
- > Political Factors

# 2023 CER Achievements

Ducommun's comprehensive CER program can be most easily conceptualized in [Figure 1](#) below, which includes a high-level summary of the program over the 2023 FY reporting period:

**Figure 1**



## Community Support

### Company Donations

- The Ducommun Foundation supports charitable organizations in the communities in which we operate and has donated approximately \$1.8 million to support social justice causes and underrepresented communities since 2019.
- The Ducommun Cares ePledge Campaign, in partnership with OC United Way, raised over \$70K in employee and company matching donations.

### Community Investment

- In conjunction with the Los Angeles Chargers and the University of California, Irvine, our STEM on the Sidelines™ initiative serves as a contest to promote STEM education in high schools in Los Angeles and Orange Counties, in which over 700 students have participated since the program's inception six years ago.

### Scholarships

- We awarded 83 scholarships in 2023 to children and grandchildren of employees, a total of over 250 scholarships awarded since 2018. The total value of scholarships awarded in 2023 was \$237,000, a 19% increase in awards compared to 2022.

## Ethics and Protection of Human Rights

### Core Values

- We continued to promote a culture of honesty, professionalism, respect, trust, and teamwork through our Company Core Values and Code of Business Conduct, supported by our ethics hotline, employee communications and training.

### Code of Conduct

- All employees are trained on ethical decision-making skills in the context of Ducommun's Code of Conduct.

### Human Rights

- Our Prohibition Against Trafficking in Persons Policy and California Transparency in Supply Chains Act disclosure statement continues to promote responsible sourcing practices.

## Cybersecurity

### Risk Reduction

- We use established standard frameworks to help reduce the likelihood of catastrophic failures resulting in significant loss of data or revenue.

### Securing the Enterprise

- We use a multi-layered IT infrastructure approach designed to identify, protect, detect, respond, and recover from directed attacks from cybercriminals and adversarial nation-state actors.

### Security Controls & Privacy

- We require anti-viral software on computers and servers, and badge access controls to manufacturing sites to help secure our production environment.
- We strive to implement procedures to comply with all applicable privacy laws to secure personally identifiable information collected for business purposes.

## Environmental Performance

Ducommun believes that operating sustainably and appropriately incorporating climate change factors into decision-making strengthens our organization over the long term and makes good business sense. Working with our customers, supply chain partners and employees, we strive to continue to demonstrate improvement on several environmental metrics for the benefit of all stakeholders.

## Environmental Management System

We are proud to report that our Coxsackie, NY performance center earned its ISO 14001 certification in 2023! ISO 14001 is a universally acknowledged standard that establishes requirements for organizations to develop, implement and enhance their EMS, and to demonstrate a commitment to sustainable business practices and compliance with environmental regulations. The certification is awarded to organizations that successfully implement an EMS that meets the requirements of the standard and undergo an independent audit by a certifying body. We anticipate that this certification will help the Coxsackie performance center and the Company improve environmental performance, gain a competitive advantage and earn the trust of stakeholders. Over time, we expect the implementation of a standardized management system will facilitate data-driven decision making, promote the efficient use of resources using a risk-based approach, and therefore, result in enhanced environmental performance and operational efficiencies. Finally, earning ISO 14001 certification is expected to contribute to the transparency of our environmental program, helping to build the trust of all stakeholders. The lessons learned from the Coxsackie certification process will be shared with our other performance centers as they consider pursuing their own ISO 14001 certifications in the next few years.

## Environmental Compliance and Excellence

As manufacturing facilities operating in a highly regulated environment, Ducommun's performance centers underwent several routine environmental regulatory inspections in 2023. We are proud to report that there were no environmental regulatory NOV's identified during these inspections.

## > Identifying and Mitigating Climate-Related Risks

To mitigate the effects of climate change on our manufacturing facilities, we recently updated our BCPs for each performance center. BCPs provide guidance to each facility to better prepare for short-term climate-related risks such as severe weather, including hurricanes, tornadoes, and floods. We also aspire to address long-term climate-related risks such as extreme drought, sea level rise, pandemics and other diseases, and changes in weather patterns and temperature. In updating the BCPs, each performance center considered its probability and impact rating, as well as the overall threat score for climate-related risks.

1. **Risk Assessment & Business Impact Analysis ("BIA"):** Each performance center conducts a risk assessment to identify potential natural disasters unique to its location that could compromise the entire facility, building, or its operations. The potential impacts from, and appropriate mitigation measures in response to, each type of natural disaster are identified to help preserve the continuity of operations and cover various functional areas such as procurement, engineering, maintenance, operations, and EHS. These risk assessments and BIAs are reviewed annually by teams at each of our performance centers.
2. **Crisis Response Plan:** Each BCP includes communication and notification protocols for each performance center and their leadership teams in the event of a climate-related crisis.
3. **Business Continuity and Response Plan:** Each of our performance centers updated their respective BCPs to better plan for and mitigate climate-related risks. Facilities annually review their BCPs and include necessary updates to align with current and future climate-related threats. For example, our performance centers in Appleton, WI, Huntsville, AR, as well as Nobles in St. Croix Falls, WI revised their BCPs in 2023 to better respond to natural disasters such as tornadoes.
4. **Annual Training and Exercise:** All employees at each of our performance centers are required to undergo mandatory annual training on BCP processes. In addition, tabletop exercises and drills are scheduled annually to assess the effectiveness of our BCPs.

## Climate Risk Assessment and Business Impact Analysis

Our BCPs identified the following risks that could potentially impact our business along with concomitant mitigation measures, which are summarized in [Figure 2](#) below:

**Figure 2**

Category	General Description	Business Impact	Mitigation
Physical Risks	Risks associated with natural disasters such as tornados, earthquakes and floods.	Business interruption, supply chain and operations impact, and employee disruptions.	Each BCP defines relevant threats, identifies response measures and requires training on remedial actions.
Regulatory Risks	Risks associated with new climate-related regulatory requirements that will impact energy pricing, emission restrictions and compliance costs.	Increased compliance and operational costs.	Continued implementation of energy efficiency projects to reduce our GHG emissions.
Market Risks	Risks associated with customers' expectations relating to value chain emissions reduction efforts, and competitive risks associated with third parties who come to market with products enabling our customers to reduce their carbon footprints.	Significant investment in technologies, new emerging renewable energy sources and energy storage capabilities.	Long-term strategic planning and roadmap development.



# 2023 Environmental Performance

## › Greenhouse Gas Emissions

Since publishing our first CER report for the FY 2020, we have striven to improve the transparency of our CER program and disclosures. For example, we implemented changes to our GHG calculation methodologies to adhere more closely to GHG protocol recommendations, which includes the important practice of reviewing our GHG baseline when appropriate.

### The Four Key Pillars

Our approach to the CER program is based on the four key pillars: energy efficiency; waste reduction; wastewater efficiency; and the importance of accurate, verifiable, and auditable CER data. These four key pillars help us not only identify opportunities to reduce GHG emissions, but can also uncover cost-savings opportunities, thereby helping us to deliver long-term value to our shareholders.

Figure 3

<b>Key Pillar No. 1</b>	<b>Energy Efficiency:</b> Our dedication to reducing GHG emissions starts with a focus on lowering energy consumption. We work to achieve this through various initiatives, such as the implementation of LED lighting, collaboration with utility providers to secure renewable energy sources for our operations and investments in equipment upgrades. These efforts target the reduction of both Scope 1 and 2 GHG emissions.
<b>Key Pillar No. 2</b>	<b>Waste Reduction:</b> Building upon our past successes, we continue to make strides in reducing both hazardous and non-hazardous waste generation. Central to this endeavor is the application of the ‘circular economy concept,’ <sup>9</sup> which involves recapturing and reusing materials to minimize waste generated in our manufacturing operations. Additionally, this approach can contribute to a reduction in Scope 3 GHG emissions, achieved by curbing the miles travelled and fuel consumption of our third-party waste haulers.
<b>Key Pillar No. 3</b>	<b>Wastewater Efficiency:</b> We are committed to exploring opportunities for reducing water consumption. Furthermore, we emphasize the importance of our facilities operating wastewater systems to meet applicable wastewater discharge limits. This not only promotes compliance but also enables POTWs to repurpose wastewater for non-potable uses such as irrigation and cleaning, thereby promoting sustainability and resource conservation in our communities.
<b>Key Pillar No. 4</b>	<b>Accurate, Verifiable, and Auditable CER Data:</b> A fundamental pillar of our program is the robust collection, verification and auditability of CER data. This data forms the basis of our sustainability efforts and provides transparency and accountability in our reporting. By maintaining rigorous data management standards, we enhance our ability to assess and communicate our environmental impact accurately and effectively.

In this Report, we first present comprehensive data on both Scope 1 and Scope 2 GHG emissions. Scope 1 emissions include our on-site natural gas consumption and on and off-road vehicle propane and gasoline diesel usage. Scope 2 emissions encompass the indirect emissions associated with sourcing energy from local utilities for our operations. Both Scope 1 and Scope 2 GHG emissions were thoroughly audited and compared against the following two baselines:

1. **2019 Baseline:** We chose 2019 as a baseline year since it reflects our operations prior to the COVID-19 pandemic. By reviewing our 2023 GHG emission levels against those of 2019, we are better able to evaluate the effectiveness of our CER initiatives exclusive of any significant impact from pandemic-related disruptions.
2. **Three-Year Average (2019-2021):** Assessing emissions against an average baseline over a three-year period between 2019 and 2021 allows us to gain a more nuanced understanding of our emissions compared to recent years because it accounts for variations in production levels, and in turn our energy consumption and GHG emissions, due to the COVID-19 pandemic.

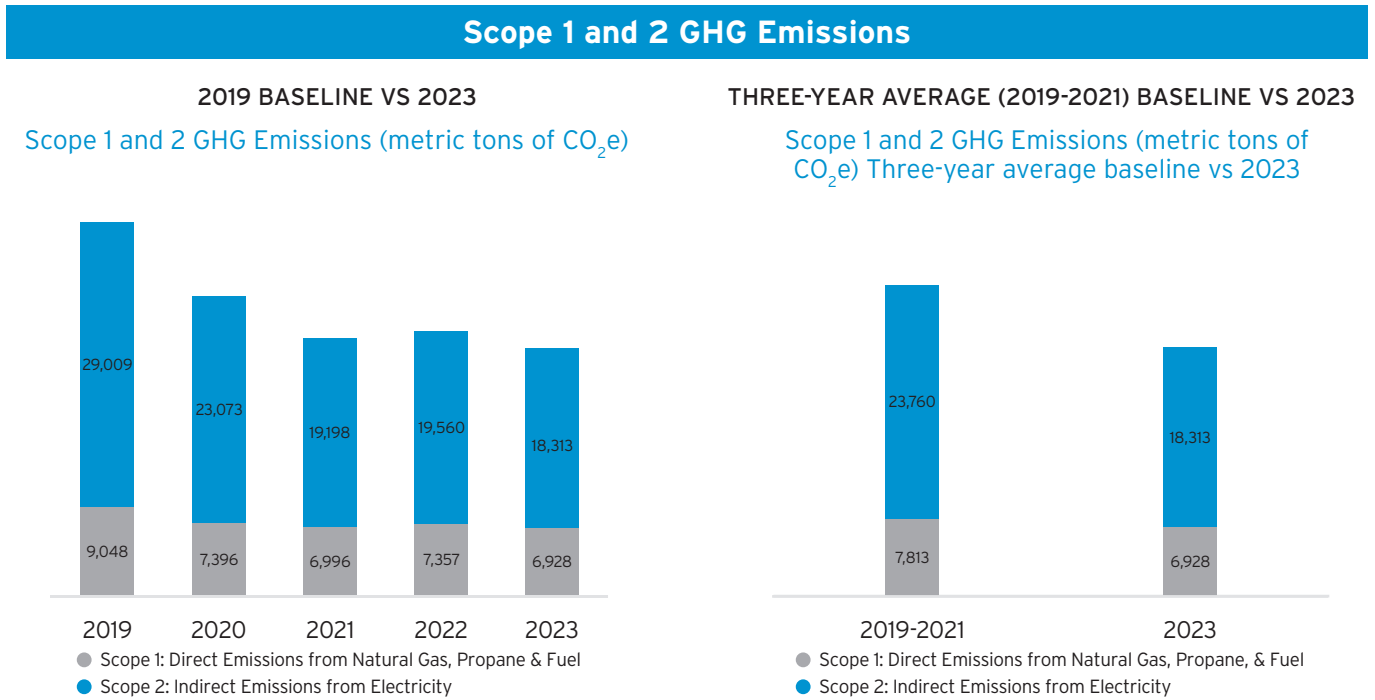
Our emissions data, depicted in [Table 1 of Appendix 1](#) and [Figure 4](#) below, illustrates a 34% decrease in our combined Scope 1 and Scope 2 GHG emissions in 2023 compared to 2019 baseline levels, on an absolute basis. Specifically, we observed a 23% decrease in Scope 1 GHG emissions and a 37% reduction in Scope 2 levels in 2023, compared to those of 2019.

<sup>9</sup> A circular economy entails keeping materials, products, and services in circulation for as long as possible. A circular economy reduces material usage, results in materials, products, and services being less resource-intensive, and recaptures “waste” as a resource to manufacture new materials and products. Source: <https://www.epa.gov/recyclingstrategy/what-circular-economy>.



Consistent with our continuous improvement mindset, our 2023 CER report now includes Scope 3 GHG emissions disclosures. The inclusion of our Scope 3 emissions data is intended to provide a more comprehensive view of our carbon footprint, encompassing selected upstream and downstream activities within our value chain. Additionally, we identified 6 subcategories within our Scope 3 GHG emissions that we deemed material based on their relevance to our business activities and their potential to affect our environmental performance. They span various aspects of our value chain, including raw material suppliers, transportation, and product use<sup>10</sup>. Our Scope 3 emissions data is depicted in [Figure 5](#) below. A summary of our Scope 1, 2, and 3 emissions for 2023 is shown in [Figure 6](#).

Figure 4



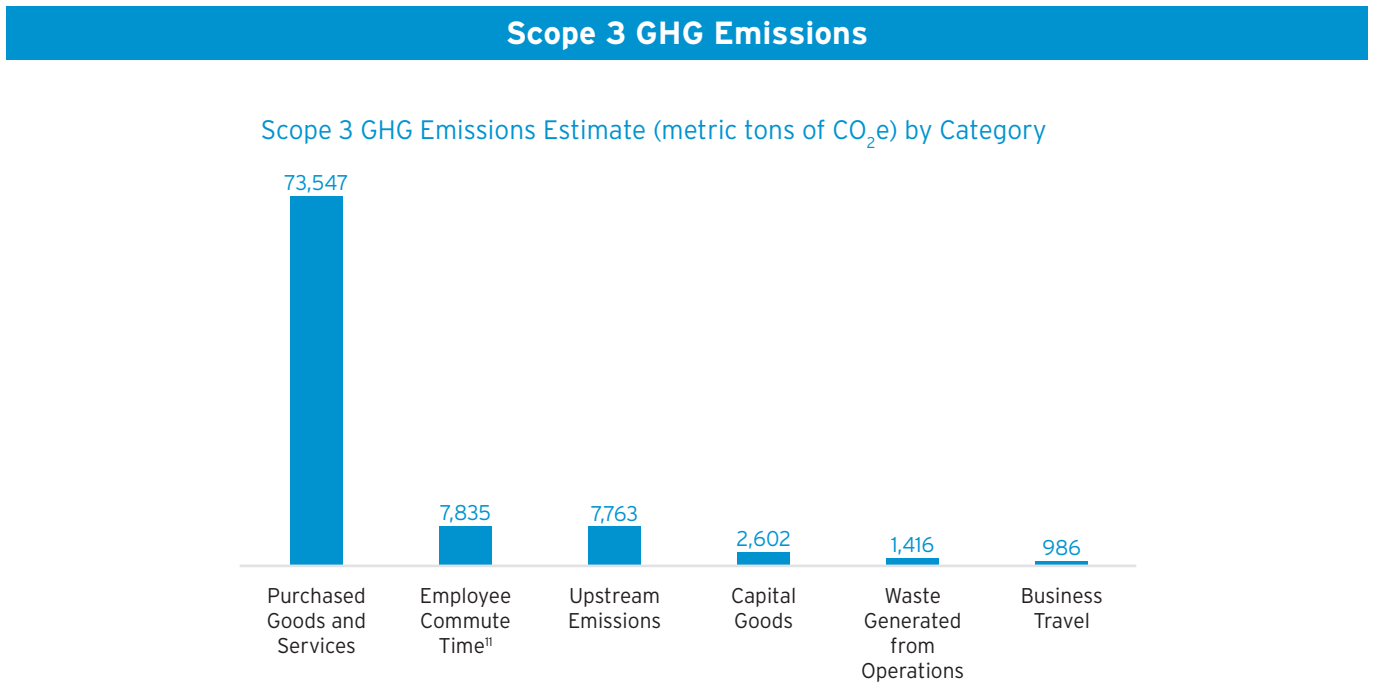
Ducommun achieved a 34% decrease in our combined Scope 1 and 2 GHG emissions in 2023 compared to 2019 baseline levels **on an absolute basis**.

Ducommun achieved a 20% decrease in Scope 1 and Scope 2 GHG emissions compared to the three-year average baseline (2019-2021) **on an absolute basis**.



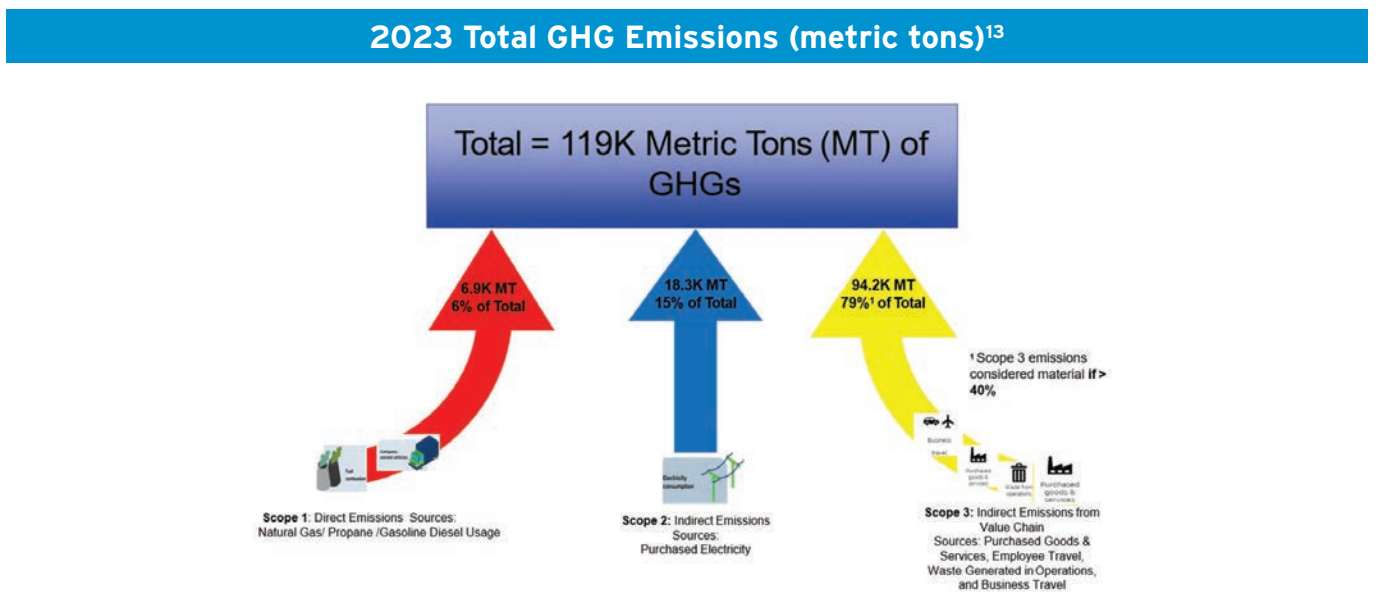
<sup>10</sup> See Appendix 5 for the methodology and assumptions related to our Scope 3 GHG emissions calculations.

Figure 5



This Report includes estimates<sup>12</sup> of our Scope 3 GHG emissions categorized into 6 areas that we identified as the most material to our enterprise.

Figure 6



In 2023, Ducommun emitted an estimated 6,928 metric tons of Scope 1 GHG emissions, or 6% of total reported emissions; 18,313 metric tons of Scope 2 GHG emissions, or 15% of total reported emissions; and 94,150 metric tons of Scope 3 GHG emissions, or 79% of total reported emissions.

<sup>11</sup> Employee commute time is calculated by first determining the daily miles commuted for each employee along with the number of days and weeks each employee drives to work, then using a CO<sub>2</sub> emission factor to determine CO<sub>2</sub> GHG emissions for Scope 3 employee commute time.  
<sup>12</sup> See Appendix 5 for the methodology and assumptions related to our Scope 3 GHG emissions calculations.  
<sup>13</sup> 1 metric ton equates to 1,000 kg, which is approximately 2,204.6 pounds.

## ➤ Reducing Scopes 1 and 2 Emissions - De-carbonizing Our Operations

In 2023, we continued to identify potential energy saving projects by holding monthly meetings with facility managers and local EHS teams. Lessons learned and identified best practices are shared during such meetings to avoid common pitfalls and facilitate the completion and implementation of pilot projects. The following is a summary of projects that were implemented in 2023 across Ducommun's performance centers:

Performance Center(s)	Energy Efficiency Project(s) Type	Scope	Estimated GHG Impact (Reduction) <sup>14</sup>	Estimated Energy Impact
➤ All performance centers	➤ Fixing natural gas leakage	➤ Scope 1	➤ 7 metric tons of Scope 1 GHG emissions	➤ Reduced overall natural gas usage by 32,000 therms <sup>15</sup>
➤ Coxsackie, NY	➤ Conversion of gas fired to electric fired units	➤ Scope 1	➤ 5 metric tons of Scope 1 GHG emissions	➤ Reduced natural gas usage by 23k therms
➤ Coxsackie, NY ➤ Carson, CA ➤ St. Croix Falls, WI ➤ Warren, RI ➤ Tulsa, OK ➤ Appleton, WI ➤ Joplin, MO ➤ Huntington Beach, CA ➤ Guaymas, MX ➤ Huntsville, AR ➤ Berryville, AR	➤ LED lighting conversion completed	➤ Scope 2	➤ 1590 metric tons of Scope 2 GHG emissions	➤ Reduced overall energy consumption by 4.2M kWh
➤ El Mirage, CA	➤ Conversion from pneumatic to electric pumps	➤ Scope 2	➤ 18 metric tons of Scope 2 GHG emissions	➤ Reduced overall energy consumption by 75K kWh
➤ Joplin, MO ➤ Tulsa, OK ➤ Gardena, CA	➤ Installation of automatic lights off switches	➤ Scope 2	➤ 18 metric tons of Scope 2 GHG emissions	➤ Reduced overall energy consumption by 49,000 kWh
➤ St. Croix Falls, WI ➤ Huntington Beach, CA ➤ Gardena, CA ➤ Carson, CA ➤ Coxsackie, NY	➤ Increased use of renewable energy sources via utility provider partnerships	➤ Scope 2	➤ 6,307 metric tons of Scope 2 GHG emissions	➤ Increased use of renewable sources by 8.9M kWh
➤ St. Croix Falls, WI	➤ Replacement of HVAC units	➤ Scope 2	➤ 7 metric tons of Scope 2 GHG emissions	➤ Reduced overall energy by 16K kWh
➤ Huntsville, AR ➤ Warren, RI	➤ Replacement/retrofit of air compressors	➤ Scope 2	➤ 26 metric tons of Scope 2 GHG emissions	➤ Reduced overall energy consumption by 141 kWh

<sup>14</sup> Scope 2 GHG reductions in metric tons and percentage are calculated using total Scope 2 emissions from 2022. Additionally, energy consumption reductions are estimates based on levels achieved from the individual energy efficiency projects depicted.

<sup>15</sup> A therm is a unit of heat equivalent to 100,000 british thermal units or 1.055 x 10 joules.

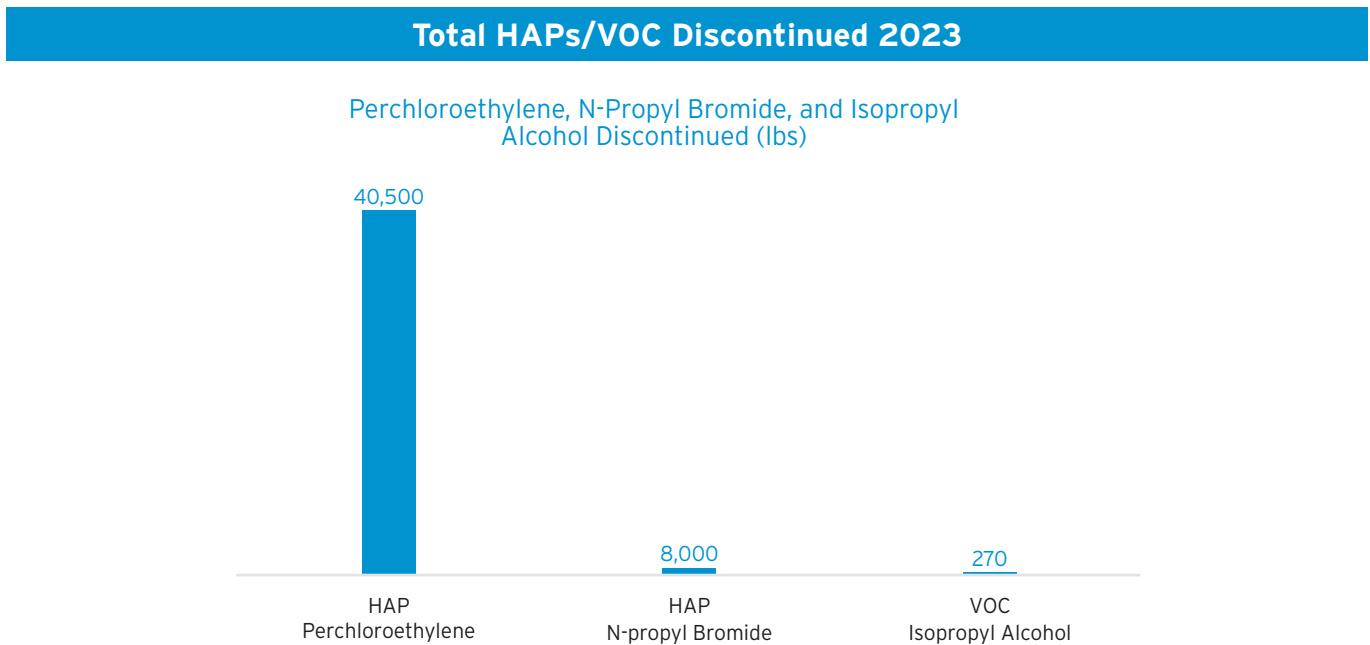
As illustrated in [Table 2 of Appendix 1](#), a comparison of our 2023 energy consumption against the 2019-2021 baseline average demonstrates a 5% reduction in our total energy usage on an absolute basis, and 17% when normalized to revenue. These reductions also reflect our commitment to increasing our reliance on renewable sources of energy. Specifically, our reliance on renewable sources of energy increased to approximately 34,121 GJ, or 9.5M kWh, on an absolute basis<sup>16</sup> compared to the three-year average between 2019-2021. We intend to provide updates on our progress in these areas in future CER reports.

### Discontinuing HAPs and Reducing VOCs in Our Operations

In our ongoing commitment to operate responsibly, we have taken significant steps to discontinue the use of harmful chemicals in our operations such as HAPs, including n-propyl bromide and perchloroethylene (perc), and continue to strive to retire certain chemicals from our processes. We have also implemented measures designed to reduce VOC usage, such as recycling spent isopropyl alcohol, thereby reducing waste and our reliance on the use of such VOCs.

[Figure 7](#) below illustrates the reduction in the usage of n-propyl bromide, perc, and VOCs in our operations during 2023, which helps reduce our overall ecological footprint.

**Figure 7**



## >Energy Management

We depend on energy to power our operations, and for the heating, cooling and lighting of our facilities. Our performance centers employ a wide variety of equipment ranging from conventional machining, such as computerized numerical control machining tools and mills, to more technologically advanced equipment such as high-powered laser cutters, industrial 3-D printers, and soldering and bonding machines. In addition, we use large presses (employing very high temperatures) on parts and dies for hot forming. Ovens and autoclaves are required for curing paints, bonding components and heat-treating metal parts. Moreover, our surface processing requires the heating and movement of large quantities of fluids and the extraction and cleaning of large volumes of air. In addition, we specialize in producing aerospace parts that require large gantry mills and presses that are several stories tall and apply thousands of tons of pressure.

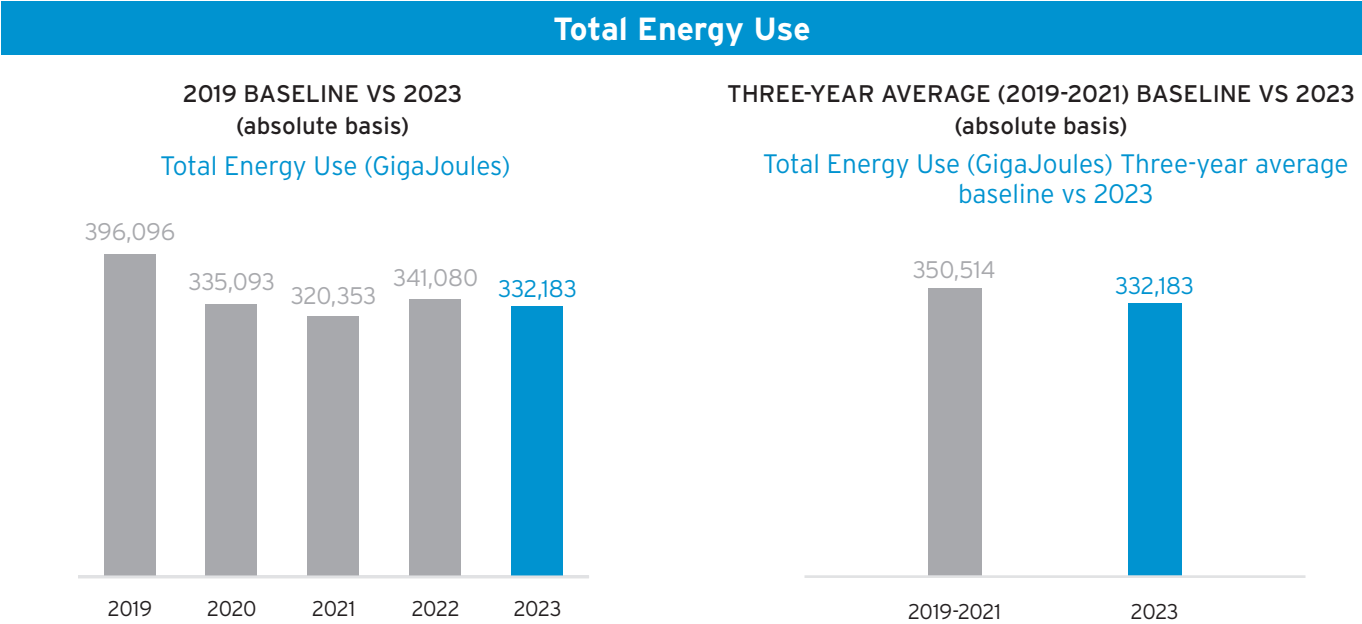
For all of the foregoing reasons, energy efficiency is a fundamental component of our sustainability program. We identify opportunities for energy reduction by deploying pilot energy efficiency projects at select performance centers. Based on the success of the initiatives and energy reductions realized, the projects are then implemented at other performance centers. Annual energy audits also allow us to identify opportunities to deploy pilot energy efficiency initiatives at other locations. As depicted in [Table 1 of Appendix 1](#) and [Figure 8](#), our total energy usage decreased by 16% on an absolute basis compared to the 2019 baseline, which is attributable to the successful implementation of our energy efficiency initiatives and investments in energy saving equipment upgrades. These reductions are even more significant considering we have recently acquired three new performance centers,

<sup>16</sup> Absolute basis is value or number change from comparing results from year over year or a set of baseline data.

BLR, MagSeal, and Nobles. Additionally, we added Guaymas, Mexico to our reporting scope for 2023, while closing only one performance center in Thailand. Despite these footprint changes, we have still reduced our total energy usage across the Company from 2019 baseline levels. Our historical 2019 baseline data did not include energy usage from these four additional facilities.

In 2023, we achieved a 5% reduction in total energy consumption when compared to the three-year average baseline spanning 2019-2021 on an absolute basis as depicted in Table 2 of Appendix 1 and Figure 8. This accomplishment reflects our commitment to sustainable energy practices, reducing our carbon footprint, and optimizing our operational efficiency. As of December 31, 2023, approximately 84% of the energy consumed by Ducommun came from the grid and 16% from renewable energy resources.

Figure 8



### Renewable Energy

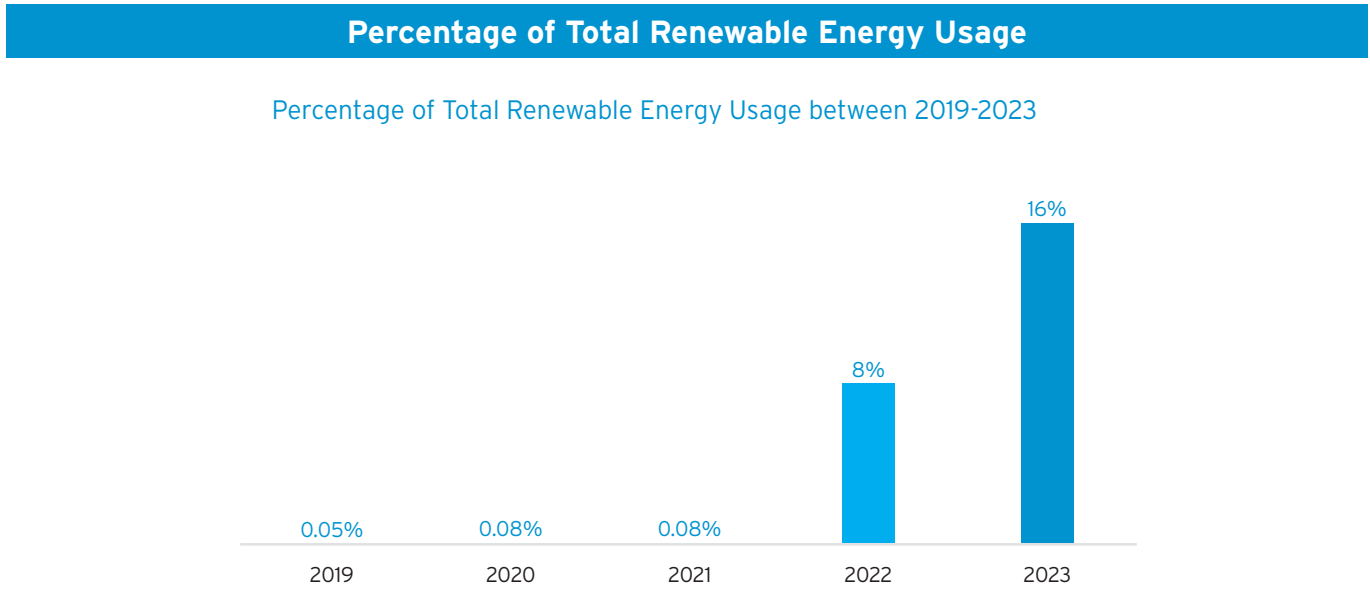
In 2023, we significantly increased our reliance on renewable energy sources. Specifically, we solidified strategic partnerships with utility providers, such as the NYPA, to source 50% of our Coxsackie, NY performance center's energy requirements from hydroelectric power. Additionally, our Santa Clarita, CA performance center sources 10% of its energy from onsite rooftop solar panels.

Our performance centers in St. Croix Falls, WI, Carson, CA, Gardena, CA and Huntington Beach, CA had already been sourcing 100% of their energy needs from renewable sources, which we expect to continue in the future.

We are also pleased to report that we now derive approximately 16% of our energy needs from renewable sources on an enterprise-wide basis. Figure 9 summarizes our journey towards increasing our renewable energy usage from 2019-2023.



**Figure 9**



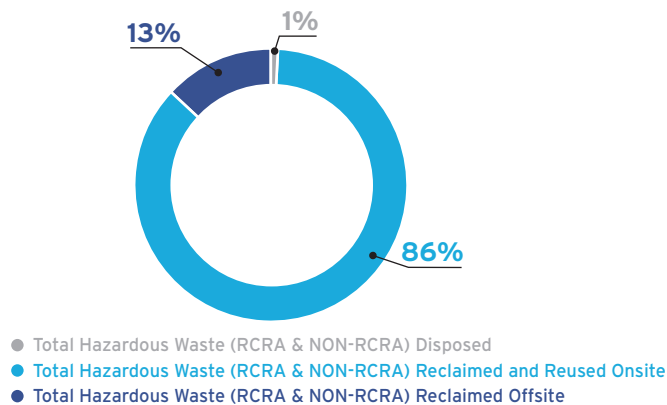
## ➤ Hazardous and Non-Hazardous Waste Reduction

Ducommun continues to invest significant resources into managing its hazardous and non-hazardous waste generation to mitigate harm to the environment, finding ways to recycle, reuse, and prolong the service life of materials used in our processes. The waste streams generated by Ducommun on an enterprise-wide basis are a combination of by-products from various operational processes, such as spent chemicals from process tanks, coating operations and surface preparations. By recycling and reusing such materials, we also reduce Scope 3 GHG emissions by decreasing the number of transportation miles driven by third-party waste haulers.

We continue to strive to reduce the volume of, and identify innovative ways to re-use or reclaim, waste generated from our production processes to mitigate harm to the environment and improve operational efficiencies. Over the past year, Ducommun worked closely with third-party vendors to properly understand its waste profile and increase the volume of hazardous waste eligible for recycling or reclamation. In 2023, Ducommun successfully recycled 13% of hazardous waste offsite, while 86% was successfully recycled or reclaimed onsite. See [Figure 10](#) below.

**Figure 10**

2023 Total Hazardous Waste Volume Disposed vs Volume Reclaimed Offsite and Reclaimed and Reused Onsite



## Reducing Hazardous and Non-Hazardous Waste via the Circular Economy Concept Aims to Reduce Scope 3 GHG Emissions and Improve Operational Efficiencies

Ducommun continues to identify ways to eliminate waste via the circular economy concept and enable the recovery and reuse of materials used in production by using existing proprietary processes to mitigate harm to the environment and improve operational efficiencies. Implementing the concept of a circular economy facilitates the identification of opportunities to reuse and recycle materials used in industrial processes.

We endeavor to reduce the amount of hazardous and non-hazardous waste by-products generated from our operations to support the protection of the environment and communities in which we operate because we recognize that minimizing such waste streams is not only good for the environment but is also a good business practice that can help reduce costs and increase value to shareholders. Ducommun’s efforts and practices to reduce the waste generation, and concomitantly, Scope 3 emissions in 2023 included the following:

Performance Center(s)	Energy Efficiency Project(s) Type	Scope <sup>17</sup>	Estimated GHG Impact (Reduction)	Estimated Environmental Impact
<ul style="list-style-type: none"> <li>&gt; Carson, CA</li> <li>&gt; Monrovia, CA</li> </ul>	> Diversion of empty chemical containers from hazardous waste landfills	> Scope 3	> 2 metric tons of Scope 3 GHG emissions	> Reduced the volume of waste sent to hazardous waste landfills by 1.1 metric tons
<ul style="list-style-type: none"> <li>&gt; Huntsville, AR</li> <li>&gt; Carson, CA</li> <li>&gt; Gardena, CA</li> </ul>	> Implementing on-site evaporators for non-hazardous waste	> Scope 3	> 80.8 metric tons of Scope 3 GHG emissions	> Reduced the volume of hazardous waste shipped by 625.8 metric tons
<ul style="list-style-type: none"> <li>&gt; Warren, RI</li> </ul>	> Implementing on-site reclamation of spent lubricant	> Scope 3	> 2 metric tons of Scope 3 GHG emissions	> Recycled and re-used 2.5 metric tons of hazardous materials
<ul style="list-style-type: none"> <li>&gt; Orange, CA</li> </ul>	> Implemented the off-site reclamation of used PERC solvent	> Scope 3	> 40 metric tons of Scope 3 GHG emissions	> Recycled and re-used 103 metric tons of hazardous waste
<ul style="list-style-type: none"> <li>&gt; Orange, CA</li> </ul>	> Implemented the on-site reclamation of spent etchant	> Scope 3	> 2,760 metric tons of Scope 3 GHG emissions	> Recycled and re-used 1,542 metric tons of hazardous waste

### > Waste Diversion

Ducommun continues to apply the circular economy concept to waste recycling, diversion, and recovery as part of its ongoing commitment to sustainability and environmental stewardship. Since reusing, recycling, and prolonging the service life of materials are critical elements of a circular economy concept, in the future, we endeavor to continue seeking solutions and improvements to our processes to preserve and maintain the value of spent resources. To that end, metals from production waste streams, cardboard from packaging, and consumed toners from printers and paper waste were all part of an enterprise-wide recycling initiative in 2023.

<sup>17</sup> Scope 3 GHG emissions are the result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly affects in its value chain. For this Report, Scope 3 GHG emissions are calculated using current EPA guidelines and emission factors on third party transportation waste haulers. Current EPA Scope 3 Inventory Guidance can be found at: <https://www.epa.gov/climateleadership/scope-3-inventory-guidance>. All values are estimated based on current third-party haulers’ miles driven.

## Reducing Landfill Waste via Recycling and Reducing Scope 3 GHG Emissions

The highlights of our recycling initiatives in 2023 and corresponding reductions in Scope 3 GHG emissions are summarized below.

Performance Center(s)	Waste Diversion Project(s) Type	Scope	Estimated GHG Impact (Reduction)	Estimated Waste Recycling Impact
> All performance centers	> Cardboard Recycling	> Scope 3	> 8.7 metric tons of Scope 3 GHG emissions	> Recycled 69,000 pounds of cardboard
> All performance centers	> Scrap Metal Recycling	> Scope 3	> 71 metric tons of Scope 3 GHG emissions	> Recycled 703,000 pounds of scrap metals
> All performance centers	> Toner Recycling	> Scope 3	> 2.2 metric tons of Scope 3 GHG emissions	> Recycled 170 pounds of toners
> Appleton, WI	> Recycling Plastics as Fuel Pellets	> N/A	> N/A	> Recycled 29.28 tons of plastic
> Santa Clarita, CA > Guaymas, Mexico	> Recycling Excess Plastics	> Scope 3	> 1.2 metric tons of Scope 3 GHG emissions	> Recycled 25,000 pounds of excess plastics

## > Reportable Spills

Reportable spills<sup>18</sup> are defined by the SASB Aerospace and Defense Industry Standard as any release of a hazardous substance in an amount equal to or greater than its reportable quantity as defined in 40 C.F.R. Part 302.4 and 302.6 (b)(1) of CERCLA. Ducommun manufactures a significant variety of commercial, industrial and aerospace products, and our performance centers are required to store and utilize a wide variety of chemicals during production. Accordingly, environmental stewardship and safety are key focus areas at Ducommun to both prevent harm to the environment and avoid employee exposure to such chemicals by maintaining engineering and administrative controls designed to prevent the spill or release of regulated substances. In addition to utilizing engineering controls such as secondary and tertiary physical containment systems, administrative controls such as inspection and maintenance programs are also implemented and are certified annually by independent third parties. Moreover, we continue to transition from the use of USTs to ASTs so that the early detection of potential leaks and spills can be more easily identified and quickly mitigated.

As depicted in [Figure 11](#) below, for the third consecutive year, Ducommun had no reportable spills in 2023, as defined by the SASB Aerospace and Defense Industry Standard.

**Figure 11**

Reportable Spills	2021	2022	2023
Number of Reportable Spills	0	0	0
Reportable Quantity Spilled (kg)	0	0	0
Quantity Recovered (kg)	0	0	0

<sup>18</sup> Reportable spills are defined by the SASB Aerospace and Defense Industry Standards RT-AE-150a.2., as any release of a hazardous substance in an amount greater than or equal to the threshold required to be reported to applicable jurisdictional legal or regulatory authorities. For this Report, we consulted Table 302.4 in Chapter 40 of the CFR Part 302.4 of the U.S. Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), including consideration of reportable quantities of mixtures and solutions as defined under 40 CFR Part 302.6(b) (1).

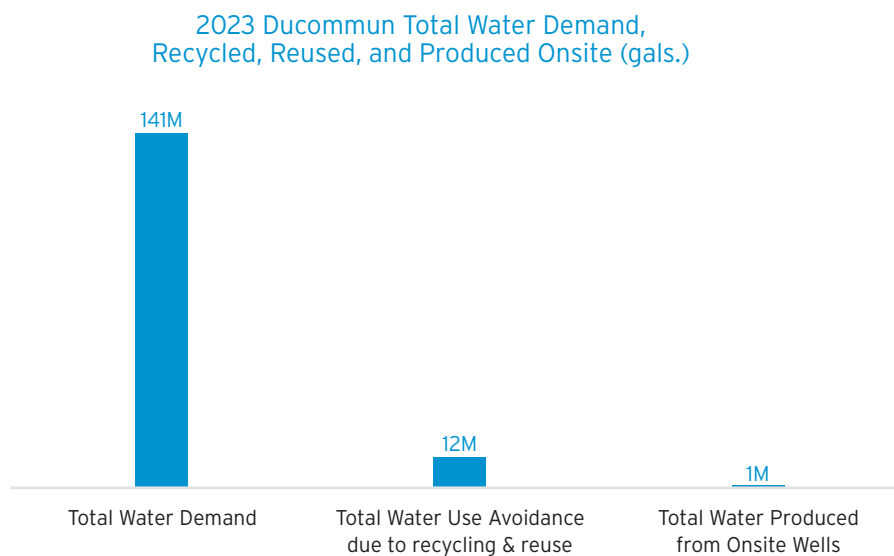


## > Water Conservation Systems

Ducommun strives to protect and conserve its water resources by responsibly managing consumption across its performance centers and implementing water-recycling initiatives where possible. To that end, we continued to include water consumption as a key performance metric in 2023 to identify future reduction opportunities.

Ducommun utilized a total of approximately 141 million gallons of water in 2023, with 140 gallons being produced from utility sources, and 1 million gallons being sourced from onsite water wells, as shown in [Figure 12](#) below. We reduced our demand for fresh water by approximately 12 million gallons through water recycling over the prior year. We are proud of our progress in this key metric, as it represents our dedication to sustainable water conservation practices.

**Figure 12**



The following are specific examples of our recent water consumption management initiatives:

Performance Center(s)	Water Recycling Project(s) Type	Scope	Estimated GHG Impact (Reduction)	Estimated Water Recycling Impact
> Santa Clarita, CA	> Burnt-off oven water recycling system	> N/A	> N/A	> Reduced overall water demand by 350,000 gallons of fresh water annually
> Huntsville, AR	> Rack degreaser project equipped with self-contained recycling unit	> N/A	> N/A	> Reduced overall water demand by over 35,000 gallons of fresh water per week
> Appleton, WI > Tulsa, OK	> Rinse water recycling system	> N/A	> N/A	> Appleton, WI reduced overall water demand by 176,000 gallons of fresh water annually > Tulsa, OK reduced overall water demand by 168,000 gallons of fresh water annually
> Orange, CA	> Chillers, boilers, and compressors for condensate recycling	> N/A	> N/A	> Reduced overall water demand by 162,000 gallons of fresh water

Performance Center(s)	Water Recycling Project(s) Type	Scope	Estimated GHG Impact (Reduction)	Estimated Water Recycling Impact
> California performance centers	> Landscaping watering reductions and planting of drought resistant plants	> N/A	> N/A	> Reduced overall water demand by 367,000 gallons of fresh water
> St. Croix Falls, WI	> Spotweld cooling system	> N/A	> N/A	> Reduced overall freshwater demand by 16,000 gallons annually
> Santa Clarita, CA	> Closed loop water recycling system	> N/A	> N/A	> Reduced overall water demand by 50,000 gallons of freshwater

## > Wastewater Discharge

Ducommun understands the importance of treating and discharging wastewater, a natural byproduct of manufacturing processes, in a responsible manner that meets regulatory standards. Our maintenance and EHS teams work diligently to align our wastewater treatment systems with discharge limits set by applicable regulatory bodies and, whenever possible, industry best practices.

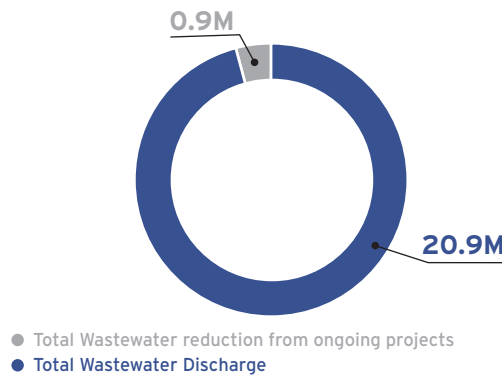
Our commitment to sustainable wastewater management includes several key components:

- 1. Compliance and Beyond:** Meeting wastewater discharge limits set by regulatory agencies is a fundamental requirement. However, we view this as a baseline, not a goal. Our aim is not only to meet these limits but also to explore opportunities to exceed them, thereby positively contributing to local water quality.
- 2. Recycling and Reuse:** We actively explore opportunities to recycle and reuse treated wastewater, wherever feasible. This not only conserves precious water resources but also reduces the environmental impact associated with our operations.

Figure 13 shows the total volume of wastewater discharges from our performance centers in 2023.

**Figure 13**

2023 Ducommun Total Wastewater Discharge vs Total Wastewater Reductions (Gallons)



In 2023, Ducommun’s total wastewater discharges were approximately 20.9M gallons.

# Empowering Our Partners in their Decarbonization Journey

## > Investment in Low Carbon and Sustainable Opportunities

Ducommun continues to invest in products to help develop and expand renewable sources of energy within its industry. As previously reported, our LDS business designs and manufactures segmented lightning diverter strips and protection devices for aerospace, defense, and industrial markets. Since 2020, LDS has been in an exclusive licensing relationship with WSU for advanced lightning strike protection technology to be used on wind turbines.

The intent of the partnership with WSU is to further develop and commercialize the technology, originally developed at WSU's National Institute for Aviation Research, and offer it to wind turbine manufacturers and operators who require more robust, cost-efficient lightning strike protection to further develop this renewable energy source. As of 2023, Ducommun remains actively engaged in field trials to commercialize what we view as a significant and sustainable technology.

## > Supporting Key Customers in Fuel Efficiency Improvements

Ducommun recognizes that many of our customers have set ambitious GHG emission reduction goals for fuel efficiency in the design and manufacture of aerospace products. As a supplier to major aerospace companies, Ducommun is committed to meeting the evolving needs of our customers through the leadership of our high-performance engineering and manufacturing teams, customer relationships and participation in industry associations. We are working closely with our customers to innovate improvements in product design with a focus on reducing drag and overall weight to improve the fuel efficiency of commercial aircraft. The following examples illustrate our collaboration with customers to design and manufacture products to meet evolving aerospace industry fuel efficiency requirements.

1. At our Guaymas, Mexico performance center, we design and manufacture VersaCore Composite™ components for engine transcowls and aircraft control surfaces. The lightweight composite materials used to manufacture each component weigh less than traditional materials, thereby improving fuel efficiency by reducing the overall weight of an aircraft.
2. Our Santa Clarita, CA performance center designs solutions to replace aluminum parts with lightweight plastic components that reduce the weight of, and correspondingly, improve the fuel efficiency of aircraft into which such parts are incorporated.
3. At our El Mirage, CA performance center, hollow fan blades are chemically milled to reduce weight, improving the efficiency of the rotating components of an engine.
4. Our Gardena and Orange, CA performance centers chemically mill aircraft aluminum skins to reduce the overall weight of aircraft and improve fuel efficiency.
5. In April 2023, we acquired BLR, which designs winglets, FastFins™, and Vortex Generators to optimize airflow, and the Whisper Prop™, a carbon fiber propeller using natural composite materials instead of metals. BLR's products are intended to reduce drag, thereby enhancing the fuel efficiency and performance of helicopters.



# 2023 Social Performance

## > Human Capital and Diversity

### Diversity, Equity & Inclusion

Our focus on continued improvement within the organization extends beyond manufacturing and operations. It is a part of our culture and includes the areas of human capital management and organizational development. As such, we strive to instill fairness and equity across our employment practices and processes, and continue to drive an inclusive culture throughout the Company. These priorities are demonstrated by promoting our employees' well-being and encouraging the sharing of ideas and unique perspectives, promoting innovation, creativity, collaboration and inclusion, and supporting the development, growth and advancement of individual contributors. We are proud to report that overall diversity of our workforce increased during 2023.

### Diversity in Hiring

Ducommun's employment philosophy and practices focus on eliminating barriers and providing equal and fair opportunities for employment to all. To this end, Ducommun maintains an active outreach program so that individuals from all backgrounds have access to job opportunities within the organization. We also continue to seek new ways to partner with third parties that support the employment of women, underrepresented populations, individuals with disabilities and protected veterans. In 2023, 36% of our new hires self-identified as female, 43% identified with groups from underrepresented background, 4% as being an individual with a disability and 4% as a protected veteran.

Figure 14

Diversity in Hires		
Group	2022	2023
Underrepresented Backgrounds	34%	43%
Women	37%	36%
IWD	3%	4%
Protected Veteran	7%	4%



## Diversity in Leadership

Similarly, it is important that we maintain a diverse and inclusive leadership team to meet the needs of our evolving workforce. Over the past year, 15% of our total promotions into leadership roles were earned by underrepresented employees and 41% of our total promotions into leadership roles were earned by women. The total percentage of women and underrepresented employees in leadership positions at the Company as of December 31, 2023, is set forth in [Figure 15<sup>19</sup>](#) below:

**Figure 15**

Leadership Level	Leadership Diversity			
	% Underrepresented Background		% Women	
	2022	2023	2022	2023
VP and above	50%	63%	20%	25%
Director	20%	16%	30%	20%
Manager level	21%	20%	35%	35%
Supervisor Level	26%	27%	26%	42%

## > Investing in our Employees

### Employee Health and Wellness

Ducommun recognizes that our employees are a valuable part of the community within the organization as well as the community at large. Accordingly, our employees' health and wellness are critically important. In 2023, we transitioned to implementing post COVID-19 safety protocols while still striving to maintain many of the best practices adopted during the height of the pandemic. Other health and wellness initiatives offered to our employees throughout the year included an annual health fair, flu shot clinics, and onsite grief counseling support services.

In 2023, we also enhanced our employee assistance plan services and benefits. Our employees have access to a variety of resources such as counseling support, training and development on managing remote work, stress management and emotional intelligence, and improved self-help resources including tools, videos, financial calculators and informative articles to assist with life decisions and events such as adoption, relationship troubles, legal issues, financial well-being, and health issues.

### Operational Health and Safety

As discussed in the previous sections of this Report, Ducommun places a premium on the safety of its employees, both in terms of overall well-being and in the context of our operations. We are committed to continuing to improve our programs by identifying opportunities to measure and evaluate KPIs relating to EHS issues across the enterprise. Ducommun's operational health and safety initiatives in 2023 included the following:

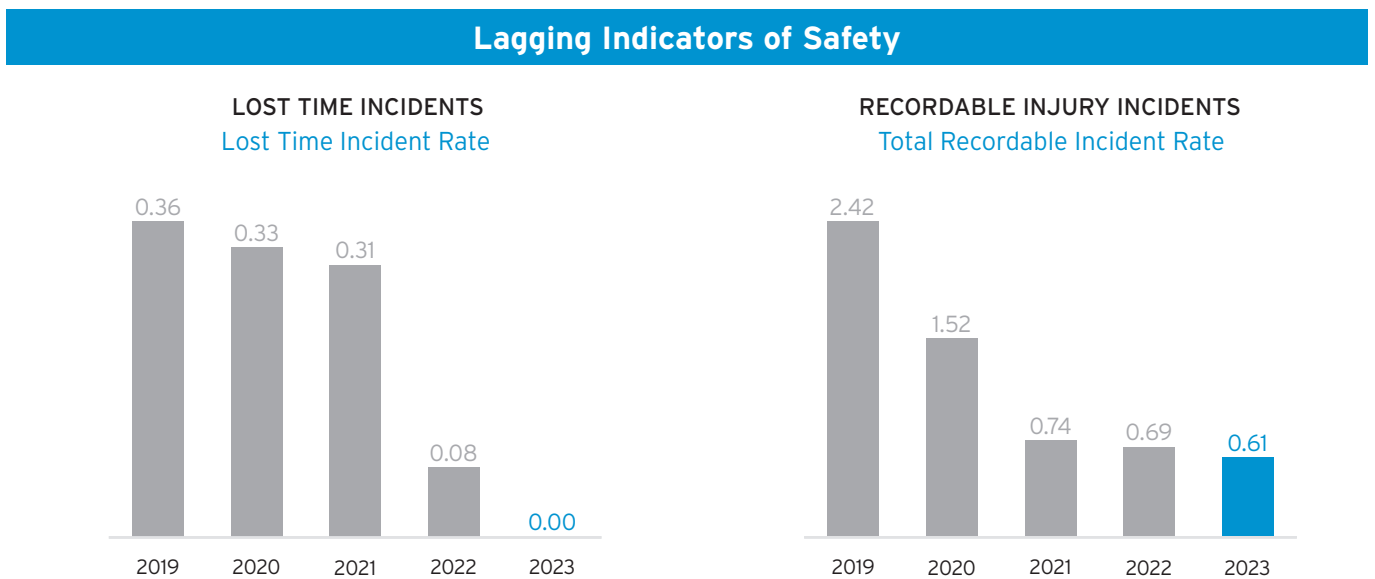
1. We continued communicating EHS KPIs to senior management on a quarterly basis, which included both lagging and leading indicators. The measurement of leading indicators was expanded to include first aid cases and near miss incidents to support the timely completion of corrective actions identified during routine internal compliance inspections and investigations. We mandated that all our performance centers report any first aid and near-miss incidents to track identified potential hazards before they result in recordable injuries or illnesses. The inclusion of these additional metrics into our EHS program led to a 12% reduction in recordable incidents and 100% reduction in lost time injuries in 2023 compared to 2022. Looking forward, we strive to continue to develop our approach to expanding the monitoring and measurement of EHS lagging and leading indicators to identify further opportunities to improve safety outcomes.
2. Ducommun continued to implement an enterprise-wide EHS software system to assist the EHS team and local safety committees in tracking the completion of open corrective action items and inspections, and identifying opportunities to improve site-level safety. Since 2022, an impressive 99.8% of action items and inspections have been successfully completed through the utilization of the EHS management software across all performance centers.

<sup>19</sup> Data is based on active employee headcount as of December 31, for each calendar year.

3. Ducommun continued to develop safety risk assessments with an enhanced focus on identifying risks that can be mitigated through administrative controls, such as forklift safety as well as personal protective equipment policies. Focusing on such high-risk tasks facilitates the identification of potential compliance gaps and helps prevent future safety incidents.
4. We regularly issued safety alert communications to the entire organization, which aim to prevent future injuries through awareness and education, sharing best practices, and facilitating actions to mitigate safety risks.
5. In 2022, Ducommun instituted a data-driven safety campaign to target and eliminate recurrences of safety incidents based on information from our quarterly leading and lagging indicators. We continued these quarterly campaigns in 2023, focusing on the underlying conditions of reported near miss and first aid incidents. These conditions often involved congested spaces, the lack of employee awareness, and proper use of PPE. Safety campaigns are designed to enable operations leaders and line supervisors to proactively engage employees on safety risks and mitigation measures. To facilitate the undivided attention of all participating employees and emphasize the importance of such issues, all operations are temporarily suspended during safety campaigns.

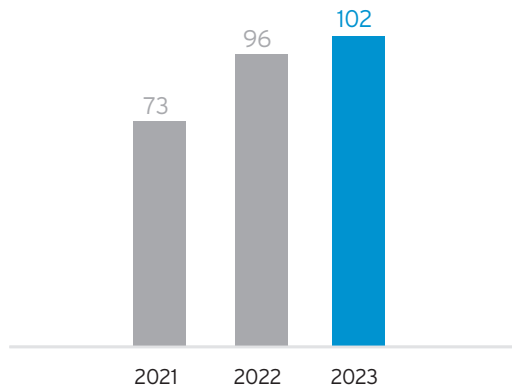
Ducommun tracks the number of lost time incidents and total recordable incidents incurred by our employees as a measure of the effectiveness of our health and safety programs. The Lost Time Incident Rate is defined as incidents that resulted in days away from work and is similar to the days away, restricted or transferred metric utilized by OSHA. In 2023, our Lost Time Incident Rate was 0, which represented a 100% decrease compared to the baseline year of 2019 and to 2022 levels. In addition, our 2023 Total Recordable Incident Rate was 0.61, a decrease of 75% compared to the baseline year of 2019, or 12% compared to the prior year. Moreover, and as previously discussed, Ducommun began tracking the number of first aid and near misses in 2021 to prevent accidents before they occur and to help reinforce our safety-first culture. As a result, 102 first aid cases and 193 near-miss incidents were reported in 2023, an increase of 40% from the previous year. An increase in reporting allows us to address concerns before they result in a recordable or lost time incident. Our performance against these metrics is depicted in [Figure 16](#) below.

**Figure 16**

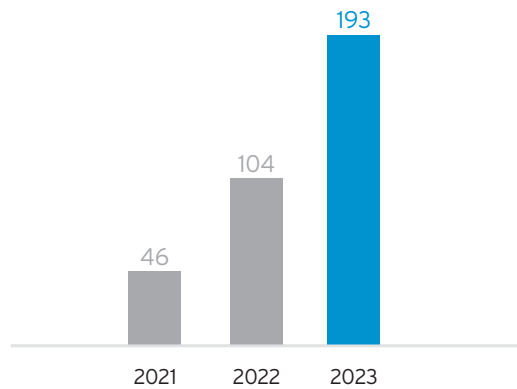


## Leading Indicators of Safety

**FIRST-AID INCIDENTS**  
Number of First-Aid Cases Reported<sup>21</sup>



**NEAR MISS INCIDENTS**  
Number of Near-Miss Incidents Reported<sup>20</sup>



## Employee Engagement

**Annual Employee Engagement Survey:** In 2023, Ducommun completed a company-wide employee engagement survey to collect valuable feedback from our employees. Through the survey, we learned that our employees are passionate about the Company’s purpose, continued improvement and excellence, and decision-making. Ongoing engagement opportunities are expected to focus on driving continued individual recognition and improving the overall work environment.

**4<sup>th</sup> Annual Engineers Week:** In 2023, we celebrated our 4<sup>th</sup> annual Engineers Week, which is dedicated to recognizing and appreciating our engineers and technicians by holding innovation and emerging technologies competitions. The week’s events included fun interactive STEM activities such as egg drop and bridge design competitions, and pinewood derby races. We also utilize this week to extend outreach to local STEM organizations at the high school and college levels to promote an interest in the engineering profession as well as a specialized focus on promoting women in engineering. These outreach efforts have allowed our performance centers to develop valuable relationships with local organizations that continue well beyond the one-week celebration. The Excellence in Innovation Award celebrates the completion and implementation of projects during the prior year, with 2023 award being presented to the Carson performance center for its project involving a cog-less motor re-design (See Figure 17).

**Figure 17**



**3<sup>rd</sup> Annual National MFGDay Event:** During the month of October, performance centers across Ducommun participated in the 3<sup>rd</sup> Annual MFGDay event. This event, organized nationally by the Manufacturing Institute and the National Association of Manufacturers, presents unique opportunities for middle and high school students to learn about careers in manufacturing after completing their education. Teams across Ducommun hosted on-site tours, presentations, and hands-on activities (see Figure 18). During this annual event, we take the opportunity to share our appreciation of our entire workforce for the hard work and dedication they provide the Company and our customers.

<sup>20</sup> We first began reporting our first aid incidents in 2021, therefore only 3-years of data is presented for first aid cases.

<sup>21</sup> We first began reporting our near miss incidents in 2021, therefore only 3-years of data is presented for near miss cases.

**Figure 18**



**Employee Appreciation Events:** All of Ducommun’s performance centers recognize employee engagement, fun, and appreciation through numerous celebrations and events throughout the year. Such events include employee appreciation days and luncheons to commemorate the achievement of operational goals and employee milestones, birthdays and retirements, and holidays. We also hold special events to acknowledge and appreciate our military service employees on Veteran’s Day (See [Figure 19](#)).

**Figure 19**



### Employee Stock Ownership Program and Retirement Benefits

Since 2019, Ducommun has offered employees the opportunity to participate in the ESPP. The ESPP provides employees with the opportunity to share in Ducommun’s success and continued growth through the purchase of shares of the Company’s stock. The plan allows eligible employees to accumulate contributions through after- tax payroll deductions to purchase shares of Ducommun stock at a 15% discount. In 2023, participation levels within the ESPP did not change compared to 2022<sup>22</sup>, although overall participation levels have increased by 24% since inception. In addition, our 401(k) program has an 89% participation rate among eligible employees, with annual training and educational sessions held at each Ducommun performance center.

### Employee Tuition Assistance Program

Ducommun offers a tuition assistance program to encourage employees to continue their formal education. The program provides financial assistance for completing courses that align directly with an employee’s assigned job function or that will help prepare them for future advancement within the Company. In 2023, Ducommun issued tuition reimbursement payments totaling more than \$40,000 to employees in various functional departments, including engineering, accounting, quality, sales, supply chain and logistics.

### Ducommun Scholarship Program

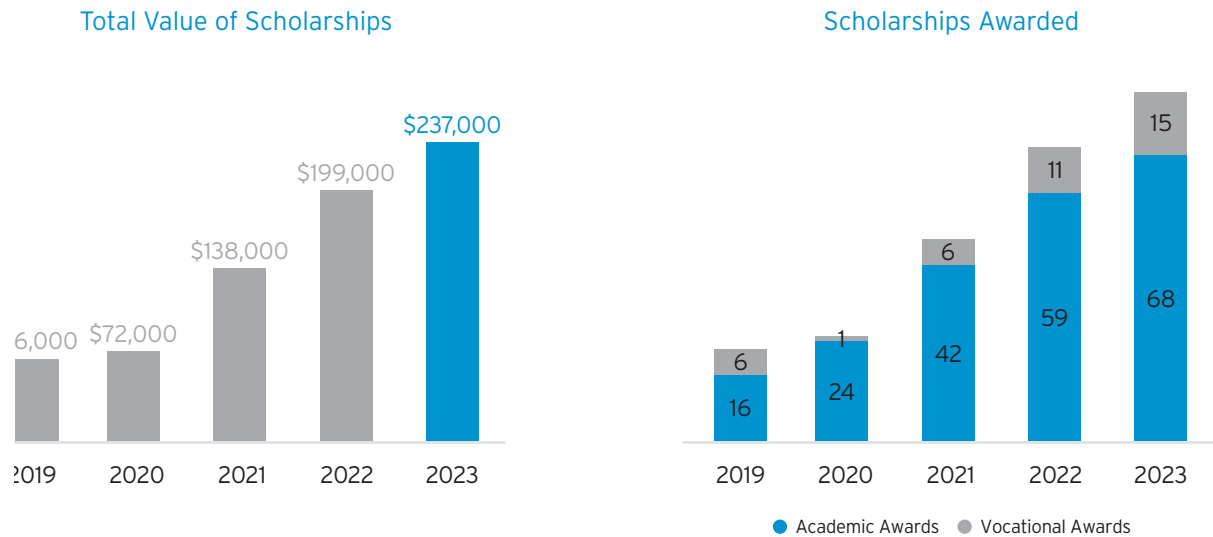
The Ducommun Scholarship Program is an exclusive benefit for the children and grandchildren of full-time Ducommun employees attending a four-year college or university, or a two-year accredited technical or vocational college. Students are awarded scholarships based on an evaluation of their academic performance, demonstrated leadership, participation in school and community activities, honors, work experience, and goals and aspirations. Based on these factors, Ducommun Scholars are selected by an independent scholarship firm that administers the application and review process. In 2023, Ducommun awarded a record 83 scholarships, including 36 new awards and 47 renewed scholarships, an increase from the 70 scholarships awarded in 2022 and 48 in 2021. The total value of the scholarship awards in 2023 was \$237,000, up 19% from 2022

<sup>22</sup> ESPP participation levels as a percent of total headcount.



as seen in Figure 20. Students may renew their scholarship awards for each academic year, allowing them to work toward a two- or four-year degree. This enhancement to the program was adopted when we became aware that some students do not complete their studies, which Ducommun was determined to change.

**Figure 20**



## >Organizational Development: Building Talent and Opportunity

At Ducommun, we recognize our employees as our most valuable resource. The talent and skills of our employees allow us to drive innovation and solutions across the organization in support of our customers and their needs. In 2023, in support of our recruitment strategy for attracting and retaining top talent, several significant resources were added to our electronic employee talent and development platform, Launchpad. These enhancements allow us to continue to improve the effectiveness and efficiency of processes that impact the interaction and engagement of employees as well as other aspects of the employment experience.

### Recruitment and Onboarding

Recruiting and retaining strong talent is crucial, and we use a variety of methods and resources to attract, recruit and retain our human capital. We continue to seek ways to standardize systems and processes to promote consistency and fairness in our employment practices.

Our recruiting team has also implemented improved recruitment marketing and branding tools to increase the speed of communicating opportunities to applicants. In addition, the recruiting team has implemented new techniques and resources for campus and student connections, which will allow us to stay in contact with future graduates.



**Ducommun** [Careers.Ducommun.com](https://careers.ducommun.com)

### Talent Development

In 2023, improvements in training and development were achieved by upgrading our LMS e-learning resources by broadening the availability and utilization of formal, electronic employee development plans. Overall training hours increased with a significant focus on compliance training. Additionally, tools and resources were developed, creating opportunities to improve overall team collaboration and the achievement of results. Future projects and initiatives will focus on improved individual feedback tools and improved leadership development resources in support of our ongoing focus for driving a high performance and continuously learning culture.

## Performance Management

Within our human capital and performance management systems, talent and performance reviews are vital to increasing our capabilities, productivity, and efficiency across every facet of the organization. Robust performance management processes support our philosophy of ongoing coaching and feedback as well as foster employee engagement and collaboration within all levels of the organization.

In 2023, we continued to improve our performance management tools to support new hire and annual performance appraisal review processes. These review processes incorporate self-appraisals and multi-rater feedback components, which are critical in driving a meaningful and constructive performance review experience for our employees.

All of the foregoing enhanced resources and processes are a part of our focused effort to drive organizational effectiveness, process efficiency and talent development.

## > Investing in our Communities

Ducommun is committed to being an active member of the local communities in which it operates by contributing financial resources and encouraging employees to volunteer with the non-profit and community-based organizations they care most about.

### The Ducommun Foundation

In 2019, Ducommun founded The Ducommun Foundation, a Section 501(c)(3) organization that serves as the Company’s philanthropic arm to address various community and humanitarian needs. The Ducommun Foundation actively supports local, regional, and national non-profit and charitable organizations that make a difference in the communities in which we operate.

Since its inaugural year, The Ducommun Foundation has donated approximately \$1.8 million to assist organizations that support veterans, active service members and military families, and efforts to end homelessness in local communities. Donations were provided to organizations such as Hire Heroes USA, Fisher House Foundation, U.S. Veterans Initiative, and Wounded Warriors Family Support. The Ducommun Foundation also contributed to the World Central Kitchen, UNICEF USA, Maui United Way, Maui Food Bank, as well as other humanitarian cause in 2023.

Additionally, The Ducommun Foundation supported the “A Place to Call Home” initiative by OC United Way, which represents a powerful collaboration between Orange County’s top business, philanthropic, governmental, faith-based and non-profit leaders. The initiative’s goal is to collectively assist working families struggling to make ends meet, which is one of the fastest-growing segments of the homeless population.



In honor of Veteran's Day, donations were provided to the American Battle Monuments Foundation in support of those who have made the ultimate sacrifice in defending our freedom by supporting the American Battle Monuments Commission in maintaining all 26 American military cemeteries and 32 monuments overseas.

## Ducommun Philanthropy Initiatives

This year, Ducommun partnered with OC United Way to launch a company-wide “Ducommun Cares” giving campaign. Pursuant to this initiative, our employees and the Company donated more than \$70,000 to support meaningful causes in the communities in which we operate.

### Local and National Community Involvement

**Ducommun Supports the Los Angeles Sports & Entertainment Commission’s ChampionLA Initiative:** Ducommun was proud to sponsor the Los Angeles Sports & Entertainment Commission’s ChampionLA initiative in 2023. The Los Angeles Sports & Entertainment Commission is dedicated to hosting the world’s leading sports and entertainment events in Los Angeles that drive lasting social and economic impact in our communities. In 2023, such events drove an estimated \$440 million in economic impact to the region resulting from hosting of the College Football Playoff National Championship, WrestleMania and the U.S. Open Golf Championship. Additionally, \$2.8 million in grants were awarded to local educators throughout LA County as part of ChampionLA’s College Football Playoff National Championship Legacy initiative. Ducommun was proud to support this important initiative to help make a lasting and positive impact, creating a stronger, more inclusive Los Angeles for generations to come!

**Ducommun Partners with OC United Way:** In 2023, Ducommun was proud to once again be a champion-level sponsor of the United Way of Orange County’s Rally for Change event, a celebration of corporate social responsibility in the community (see [Figure 21](#)). In addition, Ducommun participated in the OC United Way’s Annual School Supply Drive to help deliver school supplies, backpacks and kits to schools in Orange County and donated \$10,000 to the annual Women’s Philanthropy Fund Breakfast. Finally, in October 2023, Ducommun’s corporate employees and their families also partnered with OC United Way to build 350 STEAM Activity Kits and donated \$10,000 to Paularino Elementary School in Costa Mesa, CA.

Figure 21



**The American Rocketry Challenge:** Ducommun Incorporated is a proud sponsor of The American Rocketry Challenge, the world’s largest student rocketry competition, with 800 teams from 45 states participating. In 2023, the National Championship was awarded to the Hardin Valley Academy (see [Figure 22](#)), which subsequently represented the United States at the International Rocketry Challenge at the Paris Air Show in June, finishing in fourth place! To date, the American Rocketry Challenge has inspired more than 85,000 middle and high school students to explore education and careers in STEM fields. Ducommun provided a donation of \$25,000, allowing middle and high school students to continue exploring education and careers in STEM fields.

Figure 22



**Partnership with Animal Shelters and Services:** Many of our performance centers support local Humane Society events. In 2023, our Joplin (MO) performance center partnered, for the 4<sup>th</sup> consecutive year, with the Joplin Humane Center to sponsor a pet adoption day resulting in numerous adoptions. In addition, our Appleton (WI) performance center held a fundraiser to support Journey Together Service Dog, Inc. that helped fund the food, toys and veterinarian care for service dogs.

**Community Clothing, Food and Toy Drives:** Most of our performance centers participate in annual clothing, food and toy drives to support the needs of families and individuals experiencing homelessness in the communities in which we operate. Fundraising and collection efforts in 2023 included donations to the following: St. Mary's of the Bay Food Pantry by our MagSeal performance center (Warren, RI), 210 lbs. of food to the Huntington Beach Food Bank by our LDS performance center (CA), Harbor House and Box of Hope clothing and essential items drive by our Appleton, WI performance center, and Toys for Tots and local toy drives by our Parsons, KS and Joplin, MO performance centers (See [Figure 23](#)).

**Figure 23**



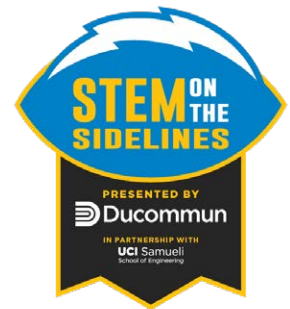
### Newsweek's Most Responsible Companies for 2024

Ducommun was proud to be named to *Newsweek* magazine's list of most responsible companies for 2024 in recognition of our commitment to corporate social responsibility and long-term sustainability. *Newsweek's* annual list of America's Most Responsible Companies was produced in collaboration with data firm Statista, a global data and business intelligence platform with an extensive collection of statistics, reports, and insights on over 80,000 topics from 22,500 sources in 170 industries. The America's Most Responsible Companies 2024 ranking focuses on a holistic view of corporate responsibility that considers all three pillars of CER: Environment, Social, and Corporate Governance. The analysis is based in part on 30 KPIs researched for the top 2,000 public companies by revenue headquartered in the United States.



### STEM on the Sidelines™ Program

As a leader in the aerospace and defense industry, Ducommun continues to support community-based STEM programs and initiatives that nurture and develop the next generation of innovators, thinkers, and technicians. In partnership with the Los Angeles Chargers of the National Football League and the University of California, Irvine Samueli School of Engineering, Ducommun established and sponsors STEM on the Sidelines™, an annual regional competition promoting STEM education in high schools around Los Angeles and Orange County, CA. In 2023, a total of 19 teams from 11 schools participated in the event.



The 6<sup>th</sup> annual contest was held on December 10, 2023, with the winning team being honored before the Los Angeles Chargers game on January 7, 2024 (see [Figure 24](#)). In total, over 700 students have benefited from their involvement in STEM on the Sidelines™ since 2018. Top Honors in 2023 went to Fountain Valley High School's Rock-It Robotics Team.

**Figure 24**



Photographs provided by Dorian Media

# Corporate Governance Programs

Ducommun is a publicly held company that trades on the NYSE under the ticker symbol “DCO.” The Board, which serves as the Company’s highest governing body, is actively engaged in, and oversees, the Company’s corporate governance matters, and is regularly apprised of matters discussed in this Report. The Board allocates its risk oversight obligations among its Audit, Corporate Governance, Compensation and Innovation Committees.

## IT and Cybersecurity

As a manufacturer operating in a highly sensitive industry, we consider the protection of our customers’, suppliers’, and employees’ confidential information and data as critical. Accordingly, Ducommun strives to incorporate security as a consideration throughout its operations, while seeking to continue to improve its security posture in these key areas:

1. Risk Reduction - Using established industry standard frameworks to mitigate our risk exposure and reduce the likelihood of catastrophic failures that can result in the loss of data or revenue, and severely impact business operations.
2. Securing the Enterprise - Using a multi-layered IT infrastructure to identify, protect, detect, respond, and recover from directed attacks from cybercriminals and adversarial nation-state actors.
3. Product Security - Establishing cybersecurity controls such as anti-viral software on computers and servers and badge access controls to manufacturing sites for product security.
4. Privacy - Striving to comply with applicable privacy laws and regulations to secure personally identifiable information collected for business purposes.



## Protecting Digital Assets

To mitigate risk to its digital assets, Ducommun utilizes recognized cyber defense solutions to help safeguard the enterprise against cyberattacks. In 2023, these defenses resulted in:

1. Rejecting more than 18 million nefarious firewall connection attempts per month across 20 locations in 3 countries;
2. Analyzing 326 million web requests per month, blocking an average of 100 million requests that are determined to pose a threat to the organization;
3. Inspecting over 647,898 emails per month for malicious content and phishing attempts and rejecting approximately 362,000 unwanted/unsafe inbound emails during the same time period;
4. Monitoring data across our sites against threats, protecting over 200 million digital assets via our data security solutions;
5. Making training available to the entire workforce and third-party contractors on issues relating to security awareness, including phishing, vishing and smishing attacks, and the handling of confidential/sensitive information or data; and
6. Protecting our enterprise systems via our 24x7x365 detection/response threat hunting team.

We have adopted a robust set of policies and procedures to provide for effective corporate governance and establish ethical standards and practices throughout our Company.

Table 3 below summarizes our Board-level charter documents and other corporate governance documents.

**Table 3**

Board Committee Charters			
Audit Committee Charter	Compensation Committee Charter	Corporate Governance and Nominating Committee Charter	Innovation Committee Charter
Corporate Governance Documents			
Code of Business Conduct and Ethics	Code of Ethics for Senior Financial Officers	Procedures for Complaints About Auditing and Accounting Matters	Corporate Governance Guidelines

As previously noted, in 2021, Ducommun launched a CER Strategic Steering Committee, consisting of executive and functional leaders throughout the Company, that meets on a quarterly basis. Executive sponsors include our Chief Executive Officer, Chief Financial Officer, General Counsel, Chief Human Resources Officer, Senior Vice President of Operations, and senior leaders of our Supply Chain, Information Technology, and CER and EHS functions. The primary mission of the steering committee is to ensure alignment among the Company’s various functional groups in achieving CER objectives, track progress on previously approved initiatives and ensure adequate resources are allocated for such programs.

### Ethics and Protection of Human Rights

Ducommun understands the importance of building trust with our investors, customers, vendors and suppliers, and that the foundation for doing so begins with our employees. To establish this trust and demonstrate our commitment, the Company relies on an anonymous hotline to support its Code of Business Conduct and Ethics to empower employees to provide suggestions and report concerns or instances of misconduct. Honesty and trust are foundational core values at Ducommun, and in keeping with these values, we offer employees regular ethics training and monthly bulletins to promote a culture of high ethical standards and integrity where employees are free to voice any concern.

The Company is also committed to respecting human rights and establishing high levels of ethical conduct throughout its supply chain. In support of the United States Government’s policy prohibiting trafficking in persons, Ducommun implemented policies and procedures designed to comply with Executive Order 13627 “Strengthening Protections Against Trafficking in Persons in Federal Contracts” and Title XVII of the National Defense Authorization Act for FY 2013. As such, we expect our employees and suppliers to refrain from engaging in the use of forced, bonded or indentured labor, involuntary prison labor and slavery, and refrain from procuring commercial sex acts or engaging in the trafficking of persons. Moreover, in accordance with the California Transparency in Supply Chains Act of 2010, which requires retailers and manufacturers doing business in California to disclose efforts to eradicate slavery and human trafficking from their direct supply chain, Ducommun has implemented policies expecting its employees and suppliers to take appropriate steps to mitigate the risk of such behaviors from occurring in its supply chain. These requirements are flowed down to our suppliers pursuant to our general terms and conditions of purchase.

### Board Diversity

Ducommun’s recently revised Corporate Governance Guidelines reflect the Board’s belief that a blend of different perspectives contributes to the quality of the Board’s oversight and is an essential component of effective governance. We therefore are committed to assuring that the Board’s diversity is reflected not just in the variety of the directors’ professional backgrounds and experiences, but also in the perspectives represented by directors with different personal characteristics, particularly gender, race, cultural heritage, and age. As of the date of this Report, we are very proud that over 40% our board is comprised of women and an individual from an underrepresented background, as seen in [Figure 25](#) below.

**Figure 25**

Board Diversity*				
Group	2022		2023	
	Ducommun	Peer Group Average	Ducommun	Peer Group Average
<b>Underrepresented Background</b>	12.5%	12%	11.1%	15.5%
<b>Women</b>	37.5%	23%	33.3%	28.2%

\* We are very proud that as of the date of this Report over 40% our board is comprised of women and an individual from an underrepresented background. Compared to our proxy peer group, our Board is comprised of a higher percentage of females and a slightly lower percentage from underrepresented backgrounds as depicted in the table above.

## › CER Governance

Ducommun's CER initiatives are overseen by its Board, and specifically, its Governance Committee. Each member of the Governance Committee meets the independence criteria of the NYSE listing standards.

The Governance Committee reviews and provides input on key CER metrics for the Company and its stakeholders. In 2020, based on management's recommendations, the Governance Committee approved the development of a CER program substantially based on the SASB Aerospace and Defense Industry Standard, as modified, as being most reflective of, and relevant to, the Company's operations. More recently, we also incorporated the TCFD and GRI frameworks into our CER program. The Governance Committee receives periodic updates relating to the progression and status of the development of the Company's CER program and reports on the status of the Company' initiatives to the full Board.

In 2021, we added a corporate-level director role to lead Ducommun's CER efforts and convened a CER Steering Committee. The committee is comprised of senior executives to ensure that cross-functional leaders appropriately allocate resources and support CER initiatives that are approved by the Governance Committee, and report on the progress of those initiatives to the Governance Committee, and in turn, to the Board. In furtherance of these principles, Ducommun has committed to preparing and updating this Report annually to provide a summary of its CER initiatives, results, and review of risks associated with the long-term sustainability of the business, as well as mitigation measures implemented to address such risks. This Report addresses each element of Ducommun's CER program to help stakeholders understand how these issues are currently managed and how the Company will strive to improve on identified metrics in the future. Unless otherwise stated, Figures provided are as of December 31, 2023.

### Reporting Systems

Ducommun implemented Novisto CER software that unites CER metrics across the enterprise into one platform. We anticipate this platform will help capture clearer audit-level data in a reliable and consistent manner and facilitate our ability to provide limited assurance to the data disclosed in the future. With Novisto, we can manage the disclosure of Scope 1, 2, and 3 GHG emissions and conduct CER benchmarking and gap analyses against peer companies. Furthermore, we hope to incorporate automated workflows to streamline our reporting and monitor the progress of our CER program.

### Framework and Standards

We strive for transparency around our company's environmental impacts and our actions to minimize them. Accordingly, we seek to follow the disclosure topics and accounting metrics as established by the SASB Aerospace and Defense Industry Standard, TCFD, and GRI. In addition to the frameworks established by the SASB Aerospace and Defense Industry Standard, TCFD, and GRI, we strive to identify, measure and disclose the Company's current environmental impacts and our efforts to mitigate them. By way of example, we disclosed details of our environmental footprint and GHG reduction efforts to CDP, a non-profit organization that supports a global environmental disclosure system for corporations, and state and municipal governments to measure and manage their risks and opportunities on climate change and environmental impacts. Moreover, our calculation of GHG emissions are based on the guidelines set forth in the GHG Protocol by the World Resources Institute and the World Business Council for Sustainable Development, covering both Scope 1 and Scope 2 GHG emissions.

# About This Report

We have published this CER Report to provide an overview of Ducommun's operations related to CER activities. This includes both quantitative and qualitative information and contains comparisons of 2023 results to 2019, as well as selected years within this period. This CER Report is for the calendar and FY ending December 31, 2023. Unless otherwise noted, the scope of this CER Report is limited to Ducommun's performance centers in the United States where we have managerial control of day-to-day operational activities. Ducommun strives to continue to improve its CER program by adhering to standards and reporting frameworks such as the SASB Aerospace and Defense Industry Standard, TCFD, and GRI. We intend to continue to report on our progress annually.

## › Forward Looking Statements and Related Cautionary Notes

This Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be preceded by, followed by or include the words "could," "may," "believe," "expect," "anticipate," "plan," "estimate," "aim," "strive" or similar expressions. These statements are based on the beliefs and assumptions of our management relating to our environmental, social and governance initiatives and program, and may be based on standards for measuring progress (including standards for the measurement of underlying data) that are still developing, on internal controls that are evolving, and on assumptions or third-party information that are subject to change in the future. For example, our disclosures based on any standards may change due to revisions in framework requirements, availability of information, changes in our business or applicable governmental policies, or other factors, some of which may be beyond our control. Generally, forward-looking statements include information concerning our possible or assumed future actions, events, or results of operations. Forward-looking statements in this Report address the Company's goals, targets, aspirations, or expectations regarding sustainability, environmental matters, corporate responsibility, cybersecurity matters and our employees, policies, business opportunities and risks.

These forward-looking statements are subject to numerous factors, risks, and uncertainties that could cause actual outcomes and results to be materially different from those projected. Forward-looking statements are aspirational and not guarantees of future results, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. Information included in, and any issues identified as material for purposes of, this Report may not be considered material for SEC reporting purposes. Within the context of this Report, the term "material" is distinct from, and should not be confused with, such term as defined for SEC reporting purposes. All written and oral forward-looking statements made in connection with this Report that are attributable to us or persons acting on our behalf are expressly qualified in their entirety by "Risk Factors" contained within Part I, Item 1A of our Annual Report on Form 10-K and our subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC, and other cautionary statements included therein. Additionally, with respect to our targets, goals, and commitments outlined in this Report and elsewhere, there are additional risks associated with, among other things, socio-demographic and economic trends; energy and fuel prices and availability; technological innovations; climate-related conditions and weather events; legislative and regulatory changes; our ability to gather and verify relevant information, including data regarding environmental impacts, and the challenges, assumptions, and other methodological considerations associated with such information; our ability to successfully implement various initiatives throughout the company under expected time frames and at expected levels of cost and complexity; the compliance of various third parties with our policies and procedures and legal requirements; our dependency on certain third parties to perform; and other unforeseen events or conditions. We may also rely on third-party information in certain of our disclosures, which involves certain important risks. For example, third-party information may change over time as methodologies and data availability and quality continue to evolve. These factors, as well as any inaccuracies in the third-party information we use, including in our estimates or assumptions, may cause results to differ materially, and adversely, from estimates and beliefs made by us or third parties, including regarding our ability to achieve our goals. While we are not aware of any materials flaws with the information we have used, except to the extent disclosed, we have not undertaken to independently verify this information or the assumptions or other methodological aspects underlying such information. These factors are not necessarily all of the important factors that could cause actual results to differ materially, and adversely, from those expressed in any of our forward-looking statements. Other factors could also have material adverse effects on our future results, including factors that are unknown to us and factors that we currently consider to be immaterial.



We urge you to consider all of the risks, uncertainties, and factors identified above or discussed in such reports carefully in evaluating the forward-looking statements in this CER Report. We cannot assure you that the results reflected or implied by any forward-looking statement, including any goals or targets, will be realized or, even if substantially realized, that those results will have the forecasted or expected consequences and effects. The forward-looking statements in this Report are made as of the date of this Report unless otherwise indicated, and we undertake no obligation to update these forward-looking statements to reflect subsequent events or circumstances.

Website references and hyperlinks throughout this document are provided for convenience only, and the content therein is not incorporated by, nor does it form a part of, this Report.

# Appendices

## > Appendix 1

Table 1: 2019 Baseline comparison to 2023<sup>23</sup>

Combined Ducommun Incorporated US Performance Centers <sup>1</sup>	2019	2020	2021	2022	2023	Percent Change	Normalized by Employee Count	Normalized by Revenue
<b>GHG Emissions<sup>2</sup> (metric tons CO<sub>2</sub>e)</b>								
Scope 1: Direct Emissions from Natural Gas	9,048	7,396	6,996	7,357	6,928	-23%	-3%	-27%
Scope 2: Indirect Emissions from Electricity Use	29,009	23,073	19,198	19,560	18,313	-37%	-20%	-40%
<b>Total: Scope 1 and 2</b>	<b>38,057</b>	<b>30,469</b>	<b>26,246</b>	<b>26,917</b>	<b>25,241</b>	<b>-34%</b>	<b>-16%</b>	<b>-37%</b>
Scope 3: Value Chain Emissions <sup>3</sup>					94,150			
<b>Energy Management<sup>4</sup> (GJ)</b>								
Total Electricity	232,453	201,319	194,252	209,416	209,502	-10%	14%	-14%
Renewable Electricity <sup>5</sup>	122	153	148	16,038	34,121	N/A	N/A	N/A
Percent Renewable Electricity <sup>5</sup> (%)	0.053%	0.076%	0.076%	7.658%	16.287%	N/A	N/A	N/A
Natural Gas, Propane, and Fuel	163,643	133,774	126,101	131,664	122,680	-25%	-5%	-29%
<b>Total Energy Use</b>	<b>396,096</b>	<b>335,093</b>	<b>320,253</b>	<b>341,080</b>	<b>332,183</b>	<b>-16%</b>	<b>6%</b>	<b>-20%</b>
<b>Reportable Spills<sup>6</sup></b>								
Number of Reportable Spills	1	1	0	0	0	-100%	-100%	-100%
Quantity Spilled (kg)	461	2,559	0	0	0	N/A	N/A	N/A
Quantity Recovered (kg)	0	0	0	0	0	N/A	N/A	N/A
<b>Activity Ratio<sup>7</sup></b>								
Number of Employees	2,872	2,457	2,477	2,415	2,265	N/A	N/A	N/A
Revenue (\$000s)	721,100	628,900	645,400	712,000	757,000	N/A	N/A	N/A

<sup>23</sup> The data and claims in this report were internally reviewed by the Company.

**Table 2: Three-year average baseline (2019-2021) Comparison to 2023**

Combined Ducommun Incorporated US Performance Centers <sup>1</sup>	2019-2021 (Average)	2023	Percent Change	Normalized by Employee Count	Normalized by Revenue
<b>GHG Emissions<sup>2</sup> (metric tons CO2e)</b>					
Scope 1: Direct Emissions from Natural Gas	7,813	6,928	-11%	2%	-22%
Scope 2: Indirect Emissions from Electricity Use	23,760	18,313	-23%	-11%	-32%
<b>Total: Scope 1 and 2</b>	<b>31,573</b>	<b>25,241</b>	<b>-20%</b>	<b>-8%</b>	<b>-30%</b>
Scope 3: Value Chain Emissions <sup>3</sup>		94,150			
<b>Energy Management<sup>4</sup> (GJ)</b>					
Total Electricity	209,341	209,502	0%	15%	-12%
Renewable Electricity <sup>5</sup>	141	34,121	N/A	N/A	N/A
Percent Renewable Electricity <sup>5</sup> (%)	0.068%	16.287%	N/A	N/A	N/A
Natural Gas, Propane, and Fuel	141,173	122,680	-15%	-2%	-25%
<b>Total Energy Use</b>	<b>350,514</b>	<b>332,183</b>	<b>-5%</b>	<b>9%</b>	<b>-17%</b>
<b>Reportable Spills<sup>6</sup></b>					
Number of Reportable Spills	1	0	-100%	-100%	-100%
Quantity Spilled (kg)	1,007	0	N/A	N/A	N/A
Quantity Recovered (kg)	0	0	N/A	N/A	N/A
<b>Activity Ratio<sup>7</sup></b>					
Number of Employees	2,602	2,265	N/A	N/A	NA
Revenue (\$000s)	665,129	757,000	N/A	N/A	NA

- 1) BLR performance center data use is reported for 2023 but will not be reported retrospectively.
- 2) Carbon dioxide equivalent (“CO2e”) emissions are calculated based on US EPA Emission Factors for GHG Inventories using the location and market-based method. Calculations are based on EPA emission factors released in the corresponding year. 2019 calculations were based on emission factors released in 2018.
- 3) See Appendix 5 for the methodology and assumptions related to our Scope 3 GHG emissions calculations.
- 4) Energy usage was estimated for all performance centers due to a time delay in the receipt of December 2023 electricity consumption data and natural gas data. Electricity and natural gas usage data lags were estimated based on November data usage. Ducommun does not use carbon credits or renewable energy credits to offset our Scope 2 emissions.
- 5) Per SASB Aerospace and Defense Industry Framework (Code RT-AE-130a.1), renewables were included only if produced onsite or procured through a special agreement with the applicable utility. For reporting purposes, renewable electricity refers to onsite generation and energy procured through special agreements with utility providers. Any location with 100% renewable energy was assigned an emissions factor of 0 kgCO2e/kWh under the market-based emissions. The NYUP electric grid factor was divided in half in order to get the market-based emission factor for the New York facility as 50% of the energy consumed was renewable.
- 6) Reportable Spills from the SASB Aerospace and Defense Industry Framework (Code RT-AE-150a.2).
- 7) Annual number of employees derived from Proxy Statements corresponding to 2019- 2023 for normalizing data under the SASB Aerospace and Defense Industry Framework (Code RT-AE-000.B).

## > Appendix 2

### SASB Aerospace and Defense Industry Framework Index

Accounting Metric	Code	Ducommun Disclosure(s) location
<b>Energy Management</b>		
Total energy consumed (GJ)	RT-AE-130a.1	Appendix 1, Pages 42-43
Percentage grid electricity (%)	RT-AE-130a.1	Appendix 1, Pages 42-43
Percentage renewable electricity (%)	RT-AE-130a.1	Appendix 1, Pages 42-43
<b>Hazardous Waste Management</b>		
Amount of hazardous waste generated	RT-AE-150a.1	Hazardous and Non-Hazardous Waste Reduction, Pages 22-23
Percentage of hazardous waste recycled	RT-AE-150a.1	Hazardous and Non-Hazardous Waste Reduction, Pages 22-23
Number and aggregate quantity of reportable spills	RT-AE-150a.2	Reportable Spills, Page 24
Quantity recovered from reportable spills	RT-AE-150a.2	Reportable Spills, Page 24
<b>Data Security</b>		
Description of approach to identifying and addressing data security risks in company operations and products	RT-AE-230a.1	IT & Cybersecurity, Page 37
Number of data security breaches, and (2) percentage involving confidential information	RT-AE-2301.2	IT & Cybersecurity, Page 37
<b>Fuel Economy and Emissions in Use-Phase</b>		
Description of approach and discussion of strategy to address fuel economy and GHG emissions of products	RT-AE-410a.2	Supporting Key Customers in Fuel Efficiency Improvements, Page 27
<b>Material Sourcing</b>		
Description of the management of risks associated with the use of critical materials	RT-AE-440a.1	
<b>Business Ethics</b>		
Discussion of processes to manage business ethics risks throughout the value chain	RT-AE-510a.3	Corporate Governance Programs, Pages 37-39
<b>Activity Metric</b>		
Production by reportable segment	RT-AE-000.A	
Number of employees	RT-AE-000.B	Appendix 1, Pages 42-43

## › Appendix 3

### Task Force On Climate-Related Financial Disclosures Framework Index

DISCLOSURE	TCFD RECOMMENDED DISCLOSURES	SUSTAINABILITY REPORT SECTION(S), Page Number(s)	ADDITIONAL RESOURCES
GOVERNANCE	Describe the Board’s oversight of climate-related risks and opportunities	Identifying and Mitigating Climate-Related Risks, Pages 14-15 Corporate Governance Programs, Pages 37-39	CDP Climate Report <sup>1</sup> C1.1
	Describe management’s role in assessing and managing climate-related risks and opportunities	Identifying and Mitigating Climate-Related Risks, Pages 14-15 Corporate Governance Programs, Pages 37-39	CDP Climate Report <sup>1</sup> C1.2
STRATEGY	Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	Identifying and Mitigating Climate-Related Risks, Pages 14-15	CDP Climate Report <sup>1</sup> C2.3a, C2.4
	Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning		CDP Climate Report <sup>1</sup> C2.3a, C2.4a,
	Describe the potential impact of different scenarios, including a 1.5°C scenario, on the organization’s businesses, strategy and financial planning		CDP Climate Report <sup>1</sup> C2.3a, C2.4a, C3
RISK MANAGEMENT	Describe the organization’s process for identifying and assessing climate-related risks	Identifying and Mitigating Climate-Related Risks, Pages 14-15	
	Describe the organization’s processes for managing climate-related risks	Identifying and Mitigating Climate-Related Risks, Pages 14-15	
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization’s overall risk management	Identifying and Mitigating Climate-Related Risks, Pages 14-15	
METRICS & TARGETS	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk-management process		
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks	Appendix 1, Pages 42-43	CDP Climate Report <sup>1</sup> C5.1, C6.1, C6.2
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets		

<sup>1</sup> Ducommun began disclosing GHG emission via CDP. Our most recent response is available via CDP website in accordance with the CDP reporting schedule.

## > Appendix 4

### Global Reporting Initiative Framework Index

Statement of use	Ducommun Incorporated has reported the information cited in this GRI content index for the period January 1, 2023, to December 31, 2023, with reference to the GRI standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	SUSTAINABILITY REPORT SECTION(S)	ADDITIONAL REFERENCES
GRI2: General Disclosures 2021	2-1 Organizational details	Company Overview, Page 6	Ducommun Incorporated is a publicly traded company (NYSE: DCO). Organization details and ownership information:10-k form. The headquarters are located at 200 Sandpointe Avenue, Suite 700, Santa Ana, California, U.S.A. 920707-5759. For location operations, see the Ducommun website.
	2-2 Entities included in the organization's sustainability reporting		Ducommun Incorporated
	2-3 Reporting period, frequency and contact point		Sustainability reporting for Ducommun occurs annually. The reporting period for this report is January 1, 2023, to December 31, 2023. The reporting period for Ducommun's financial reporting is aligned with the period for sustainability reporting. For questions, please email pdumaua@ducommun.com
	2-4 Restatements of information		None
	2-5 External assurance		None
	2-6 Activities, value chain and other business relationships		GRI Sector: Aerospace and Defense. 2023 SEC 10-K form
	2-7 Employees	Human Capital and Diversity, Pages 28-29 In 2023, Ducommun employed 2,265 people worldwide. Appendix 1, Pages 42-43	
	2-8 Workers who are not employees		Information not available
	2-9 Governance structure and composition	Corporate Governance Programs, Pages 37-39	2023 Proxy Statement

GRI STANDARD	DISCLOSURE	SUSTAINABILITY REPORT SECTION(S)	ADDITIONAL REFERENCES
	2-10 Nomination and selection of the highest governance body	CER Governance, Page 39	2023 Proxy Statement, Page 16
	2-11 Chair of the highest governance body		Dean M. Flatt is a non-employee director and serves as independent lead director of the Board.
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance Programs, Pages 37-39	PS, Page 13 PS, Page 19
	2-13 Delegation of responsibility for managing impacts	CER Governance, Page 39 Identifying and Mitigating Climate-Related Risks, Pages 14-15	PS, Page 19
	2-14 Role of the highest governance body in sustainability reporting	Core Values and CER Principles, Page 11	PS, Page 22 Ducommun's sustainability report is reviewed by Ducommun's Board of Directors, Executive Council, and the ESG Committee.
	2-15 Conflicts of interest	CER Governance, Page 39	Code of Business Conduct and Ethics
	2-16 Communication of critical concerns	Corporate & Environmental Responsibility Highlights, Pages 7-10 CER Governance, Page 39	Code of Business Conduct and Ethics
	2-17 Collective knowledge of the highest governance body	CER Governance, Page 39	PS, Pages 8-13 Corporate Governance and Nominating Committee Charter
	2-18 Evaluation of the performance of the highest governance body		PS, Page 18
	2-19 Remuneration policies		PS, Page 42
	2-20 Process to determine remuneration		PS, Pages 42-53
	2-21 Annual total compensation ratio		Our CEO total compensation ratio can be found in our Proxy Statement, page 60
	2-22 Statement on sustainable development strategy	A Message from Our Chairman and CEO, Page 5 About This Report, Pages 40-41	
	2-23 Policy commitments		PS, page 20, 24 Code of Business Conduct and Ethics
	2-25 Processes to remediate negative impacts	Ethics and Protection of Human Rights, Page 38	
	2-26 Mechanisms for seeking advice and raising concerns	Ethics and Protection of Human Rights, Page 38	
	2-27 Compliance with laws and regulations	CER Governance, Page 39	Ducommun did not incur any significant reportable penalties or notices of violations in 2023.
	2-29 Approach to stakeholder engagement	Materiality, Page 11 Environmental Performance, Page 14	AR, Pages 20-21 PS, Page 20

GRI STANDARD	DISCLOSURE	SUSTAINABILITY REPORT SECTION(S)	ADDITIONAL REFERENCES
	2-30 Collective bargaining agreements		AR, Page 20 Two of our performance centers engage in collective bargaining agreements, covering 435 employees, or 18% of our workforce.
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality, Page 11	
	3-2 List of material topics	Materiality, Page 11	
	3-3 Management of material topics	Materiality, Page 11	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Corporate & Environmental Responsibility Report Highlights, Pages 7-10 Corporate Governance Programs, Pages 37-39	AR, Pages 24-36
	201-2 Financial implications and other risks and opportunities due to climate change	Identifying and Mitigating Climate-Related Risks, Pages 14-15	
	201-3 Defined benefit plan obligations and other retirement plans	Investing in Our Employees, Pages 29-33	Our Benefits
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Investing in Our Communities, Pages 34-36	
	203-2 Significant indirect economic impacts	CER Governance, Page 39 About This Report, Pages 40-41	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	CER Governance, Page 39	
	205-2 Communication and training about anti-corruption policies and procedures	Ethics and the Protection of Human Rights, Page 38 CER Governance, Page 39	
GRI 301: Materials 2016	301-2 Recycled input materials used	Hazardous and Non-Hazardous Waste Reduction, Pages 22-23 Waste Diversion, Pages 23-24	
	301-3 Reclaimed products and their packaging materials	Hazardous and Non-Hazardous Waste Reduction, Pages 22-23 Waste Diversion, Pages 23-24	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Greenhouse Gas Emissions, Pages 16-18 Energy Management, Pages 20-22 Reducing Scope 1 and 2 Emissions- De-carbonizing Our Operations, Pages 19-20	
	302-2 Energy consumption outside of the organization	Greenhouse Gas Emissions, Pages 16-18	
	302-3 Energy intensity	Corporate & Environmental Responsibility Report Highlights, Pages 7-10	



GRI STANDARD	DISCLOSURE	SUSTAINABILITY REPORT SECTION(S)	ADDITIONAL REFERENCES
		Greenhouse Gas Emissions, Pages 16-18 Energy Management, Pages 20-22 Reducing Scope 1 and 2 Emissions - De-carbonizing Our Operations, Pages 19-20	
	302-4 Reduction of energy consumption	Energy Management, Pages 20-22	
	302-5 Reductions in energy requirements of products and services	Energy Management, Pages 20-22	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Conservation Systems, Pages 25-26	
	303-2 Management of water discharge-related impacts	Wastewater Discharge, Page 26	
	303-3 Water withdrawal	Water Conservation Systems, Pages 25-26	
	303-4 Water discharge	Wastewater Discharge, Page 26	
	303-5 Water consumption	Corporate & Environmental Responsibility Report Highlights, Pages 7-10 Water Conservation Systems, Pages 25-26	
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	Greenhouse Gas Emissions, Pages 16-18	
	305-4 GHG emissions intensity	Greenhouse Gas Emissions, Pages 16-18	
	305-5 Reduction of GHG emissions	Greenhouse Gas Emissions, Pages 16-18 Energy Management, Pages 20-22 Reducing Scope 1 and 2 Emissions- De-carbonizing our Operations, Pages 19-20	
	305-6 Emissions of ozone-depleting substances (ODS)	Reducing Scope 1 and 2 Emissions- De-carbonizing our Operations, Pages 19-20	
	305-7 NO <sub>x</sub> , SO <sub>x</sub> , and other significant air emissions		Annual emission report AQMD EPA
	306-1 Waste generation and significant waste-related impacts	Hazardous and Non-Hazardous Waste Reduction, Pages 22-23	
	306-2 Management of significant waste-related impacts	Waste Diversion, Pages 23-24	
GRI 306: Waste 2020	306-3 Waste generated	Hazardous and Non-Hazardous Waste Reduction, Pages 22-23	
	306-4 Waste diverted from disposal	Waste Diversion, Pages 23-24	
	306-5 Waste directed to disposal	Waste Diversion, Pages 23-24	

GRI STANDARD	DISCLOSURE	SUSTAINABILITY REPORT SECTION(S)	ADDITIONAL REFERENCES
	308-1 New suppliers that were screened using environmental criteria	Environmental Management System, Page 14	
	401-1 New employee hires and employee turnover	Organizational Development: Building Talent and Opportunity, Pages 33-34	
GRI 308: Supplier Environmental Assessment	401-3 Parental leave		Our Benefits
GRI 401: Employment 2016	402-1 Minimum notice periods regarding operational changes		We provide advance notice in accordance with all applicable legal and /or contractual requirements in the different locations where we operate.
	403-1 Occupational health and safety management system	Environmental Management System, Page 14 Investing in Our Employees, Pages 29-33	
GRI 402: Labor/Management Relations 2016	403-2 Hazard identification, risk assessment, and incident investigation	Investing in Our Employees, Pages 29-33	
GRI 403: Occupational Health and Safety 2018	403-3 Occupational health services		Ducommun utilizes Concentra for all occupational health services.
	403-4 Worker participation, consultation, and communication on occupational health and safety		Each performance center has a safety committee consisting of one employee from each department. The safety committee meets monthly, and gives employees a space to participate and communicate with the EHS team.
	403-5 Worker training on occupational health and safety	Investing in Our Employees, Pages 29-33	
	403-6 Promotion of worker health	Investing in Our Employees, Pages 29-33	
	403-8 Workers covered by an occupational health and safety management system	Investing in Our Employees, Pages 29-33	
	403-9 Work-related injuries	Investing in Our Employees, Pages 29-33	
	403-10 Work-related ill health	Investing in Our Employees, Pages 29-33	
	404-1 Average hours of training per year per employee		6 hours of training per year
	404-2 Programs for upgrading employee skills and transition assistance programs	Investing in Our Employees, Pages 29-33	
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews		100%. All full-time employees receive annual performance and career development reviews.
	405-1 Diversity of governance bodies and employees	Human Capital and Diversity, Pages 28-29 Corporate Governance Programs, Pages 37-39	

GRI STANDARD	DISCLOSURE	SUSTAINABILITY REPORT SECTION(S)	ADDITIONAL REFERENCES
	408-1 Operations and suppliers at significant risk for incidents of child labor		California Transparency in Supply Chain Act
GRI 405: Diversity and Equal Opportunity 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor		California Transparency in Supply Chain Act
GRI 408: Child Labor 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Investing in Our Communities, Pages 34-36	
GRI 409: Forced or Compulsory labor 2016	413-2 Operations with significant actual and potential negative impacts on local communities	Identifying and Mitigating Climate-Related Risks, Pages 14-15 Investing in Our Communities, Pages 34-36	
GRI 413: Local Communities 2016	414-1 New suppliers that were screened using social criteria		Ducommun does not screen new suppliers using social criteria
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Corporate Governance Programs, Pages 37-39	

## › Appendix 5

### Scope 3 GHG Calculations- Methodology & Assumptions

#### 3.1 - Purchased Goods & Services

*Data provided:* Ducommun compiled all facilities' purchased goods & services, as well as capital expenditures, into a consolidated file with various metadata adhered including date of spend, vendor name, commodity category (Tier 1 description), sub-commodity family (Tier 2 description), and class (Tier 3 description).

*Emissions factors:* To provide the highest granularity for Ducommun's spend data, Green Project matched expense items to Supply Chain Emissions Factors at the "Sub-Comm Family" or "Class" level when the "Commodity Category" name likely spanned many product/industry emissions factors (e.g., "Indirect" or "Raw Material"). Within this approach, Green Project started with the 16 unique Commodity Categories in the "Spend Detail" workbook and indicated which match cleanly to a single Supply Chain Emissions Factor (e.g., "Connectors"), and which require consideration of their "Sub-Comm Family" and "Class" to ascertain the relevant emissions factor. Green Project then mapped over 300 expense descriptions from Ducommun to relevant Supply Chain Emissions Factors from the USEPA Supply Chain Greenhouse Gas Emission Factors v1.2 by NAICS-6, April 2023, and had Ducommun review these mappings to ensure alignment with Ducommun's accounting controls and expense categorization.

#### 3.2 - Capital Expenditures

As any capital expenditures for 2023 were captured in the spend data with the Purchased Goods & Services, please see the methodology in category 3.1 above for more detail on how the spend data here was assigned relevant emissions factors.

#### 3.4 - Upstream Distribution & Transportation

*Data provided:* Spend data for the freight that Ducommun used throughout their operations was provided by month and year.

*Emissions factors:* Green Project used the US EPA's emissions factor for "General Freight Trucking, Long-Distance, Truckload" from the US EPA's NAICS 2023 dataset. The spend data was then calculated per quarter and applied to this emission factor.

#### 3.5 - Waste Generated in Operations

##### Non-hazardous Waste

*Data provided:* Ducommun provided PDF invoices containing details on the amount spent, volume serviced, or weight of waste removed from each site (with the exception of BLR). Based on the descriptions provided by each invoice, waste streams were separated into 9 categories (organic/organics (to landfill), trash, recycle, compost, C&D waste, special waste, scrap metal, food waste, and pallets).

- For invoices where spend only was provided (here, this is just for the El Mirage facility), spend values were taken and mapped to the US EPA spend-based emissions factor for solid waste landfill.
- For invoices where a direct weight was provided, this weight was taken as the total weight of waste generated, and was converted to kg and mapped to weight-based US EPA emissions factors by waste type.
- For invoices where only a volume was provided, GPT first confirmed with the client the frequency of pick-up, as well as confirmed with the client to assume 100% full containers at every instance of pick-up.
  - For containers picked up less than once per month, the frequency of pick-up matches the invoice frequency, and thus no further multiplier is needed.
  - For containers picked up more than once per month, including more than once per week - because there is one invoice per month regardless of pick-up frequency, the volume of waste was multiplied by its assumed density, then again by the amount of times picked up per month.
  - For containers picked up weekly, monthly totals were assumed to be the weight weekly pickup frequency multiplied by 4.
  - Densities of each waste stream were calculated using US EPA 2016 values for volume-weight conversions for waste.

##### Hazardous Waste

*Data provided:* Ducommun provided PDF invoices that contained both the total cost of hazardous waste pick-up services, as well as line items regarding each hazardous waste stream that was generated.

*Emissions factors:* Due to limited availability of weight-based EFs for hazardous wastes (for example, "inorganic acids" do not map well to any Table 9 US EPA emissions factors for waste), and because of the lack of standardization regarding units of hazardous waste removed (for example, many hazardous waste items were given in gallons, where a density is needed to derive actual weight), the spend-based approach was utilized in this scenario. In this case, the total cost of hazardous waste pickup services was multiplied with the most recently available US EPA spend-based emissions factor (USEPA Supply Chain Greenhouse Gas Emission Factors v1.2 by NAICS-6, April 2023) for Hazardous waste collection.

### 3.6 - Business Travel

*Data provided:* Ducommun provided business travel data from two sources (i) a business travel management software (Christopherson) that calculated the CO<sub>2</sub>e and (ii) the spend data from fuel used in rental cars.

*Emissions factors:* As the data from Christopherson was already calculated in the CO<sub>2</sub>e for the various quarters, Green Project directly input the CO<sub>2</sub>e into platform. For the spend data, Green Project used the US EIA Average Monthly Gas & Diesel prices to convert the spend data to approximate gallons of fuel used and assumed that gasoline was the fuel type used.

### 3.7 - Employee Commuting

*Data provided:* Ducommun provided the mileage of employees from their home addresses to their respective facility addresses. It was assumed that all employees drive to work and commute to work 5 days a week for 48 weeks of the year.

*Emissions factor:* Green Project utilized the 2023 US EPA GHG Inventory for the emissions factors for the employee commute data.

### Water

Data provided: Water usage was provided for all facilities.

### Notes & Assumptions

- *Waste* - as several locations only provided invoices with the pickup frequency and the volume of the containers used for various waste types, Green Project assumed that these containers were 100% full each time they were serviced.
- *Business travel* - the rental cars that were not tracked on the business management software (Christopherson and/or Concur) were assumed to be gasoline passenger cars.
- *Employee commuting* - Green Project utilized the US EPA 2023 GHG Emission Factors Hub to calculate the emissions factors for the employee commute data (in miles) as opposed to the US EPA 2022 GHG Emission Factors Hub.





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