



2022

ESG Report

cts Your Partner in Smart Solutions[®]



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A Message from Our Chairman and CEO



At CTS, our vision is to be a leading provider of sensing and motion devices as well as connectivity components, enabling an intelligent and seamless world.

Our values drive us to achieve our goals by focusing on delivering solutions to our customers and stakeholders efficiently and

effectively, and to find new and better ways of working together to deliver greater value to our customers and stakeholders. We firmly believe that one way to deliver greater value to our customers, stakeholders and the communities in which we operate is to help shape not only a more connected future, but one that is mindful of the needs of future generations. To that end, on behalf of my CTS Corporation colleagues, we are proud to share our first Environmental, Social and Governance (ESG) Report.

As described in this report, we strive to operate our business with the highest ethical standards and in a manner that mitigates our impact on the environment, maintains a safe and healthy workplace for our employees, utilizes good governance practices and, ultimately, demonstrates our value as a trusted partner. Our ESG position is rooted not only in our practices and policies, but also in our development and supply of innovative products, such as those used to enable less invasive health diagnostics through ultrasound and aid the targeted delivery of treatments to sites of disease. We are particularly proud of our portfolio of products that help reduce harmful emissions in commercial vehicles and support the electrification of passenger cars.

We are confident that our ongoing product innovations in this area will help us achieve our goal of having more than 25% of sales of components for light vehicles come from electrified platforms by 2025.

Our ESG initiative has been undertaken with the full engagement and support of our leadership team, our Board of Directors, our employees and key stakeholders. We took an important step forward in our journey in 2021 by establishing our ESG Steering Committee, a cross-functional team comprised of representatives from legal, human resources, environmental, health and safety, internal audit, product management and operations. This committee spearheaded our ESG initiative by assessing our operations and practices, identifying key areas of focus and refining our ESG strategy. We took a further step in that journey in 2022 by establishing a structured process to collect, measure and assess our ESG-related data, including greenhouse gas emissions, water use, waste generation and energy consumption, among others. This is an ongoing and evolving effort that we will strive to continue to progress.

In 2022, we made and integrated key acquisitions, brought in new talent, executed on our Focus 2025 strategic plan and made significant progress on our ESG initiatives. The publication of this report marks a milestone in our efforts to provide enhanced transparency about our ESG practices and strategies. But we recognize our ESG journey is a marathon, not a sprint, and we have more work to do. Going forward, as we continue to work to generate long-term growth for our investors, we plan to prioritize our ESG strategy. We look forward to providing you with updates of our activities. We thank all our employees for their continued hard work and dedication and our Board of Directors and investors for their ongoing support.



Kieran M. O'Sullivan
Chairman, President and
Chief Executive Officer

A Message from Our Board



We believe that environmentally and socially responsible business practices are a key factor in the creation of long-term value for our investors, customers and other stakeholders.

Our Board of Directors, through the Nominating, Governance and Sustainability Committee, exercises oversight of CTS' ESG strategy and initiatives. We recognize, however, that it is not just the Board of Directors that drives this strategy. CTS' management and employees also play a key role by living CTS' corporate values and by implementing environmentally and socially responsible corporate practices as an integral part of CTS' day-to-day operations.

As a fiduciary to our investors, the Board of Directors strives to maintain exemplary corporate governance practices, which include a focus on ethics, integrity and corporate responsibility. This focus also helps CTS' corporate strategy align with our values and culture. The publication of CTS' inaugural ESG Report is a significant step forward in that process.

On behalf of our Board of Directors, we thank you for reading CTS' inaugural ESG Report.



Robert A. Profusek

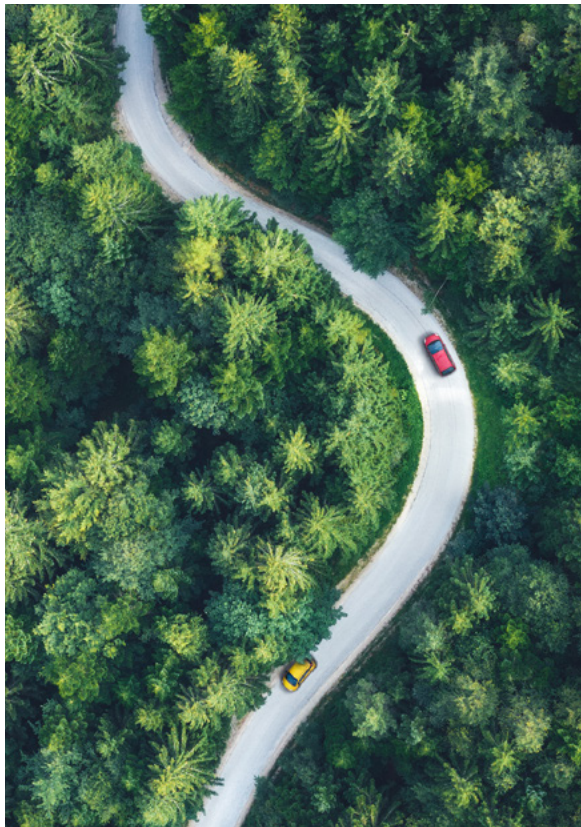
Lead Independent Director on behalf of the CTS Corporation Board of Directors



COMPANY OVERVIEW

Your Partner in Smart Solutions

At CTS, our mission is to enable an intelligent and seamless world. We strive to fulfill this mission by being instrumental in helping our customers and their products shape the future. This includes designing highly-engineered components that make our customers’ products smarter with effective and efficient technologies to allow systems to Sense, Connect, and Move.



We also understand that we have a responsibility to help shape not only a smarter future—but one that is mindful of the needs of future generations—and that making responsible business choices creates long-term value for the company, our stakeholders and the communities in which we live and do business.

The goal of this inaugural ESG Report is to provide our stakeholders with an overview of the key areas of our business, the meaningful steps we have taken toward enhancing ESG-related business practices and communicate CTS’ goal to continue to advance our initiatives.

2022 By The Numbers¹

Revenue (in millions)

\$587M

Number of Locations

20+

Adjusted EPS²

\$2.46

Number of Countries

12

Adjusted EBITDA Margin²

22.8%

Number of Employees (approx.)

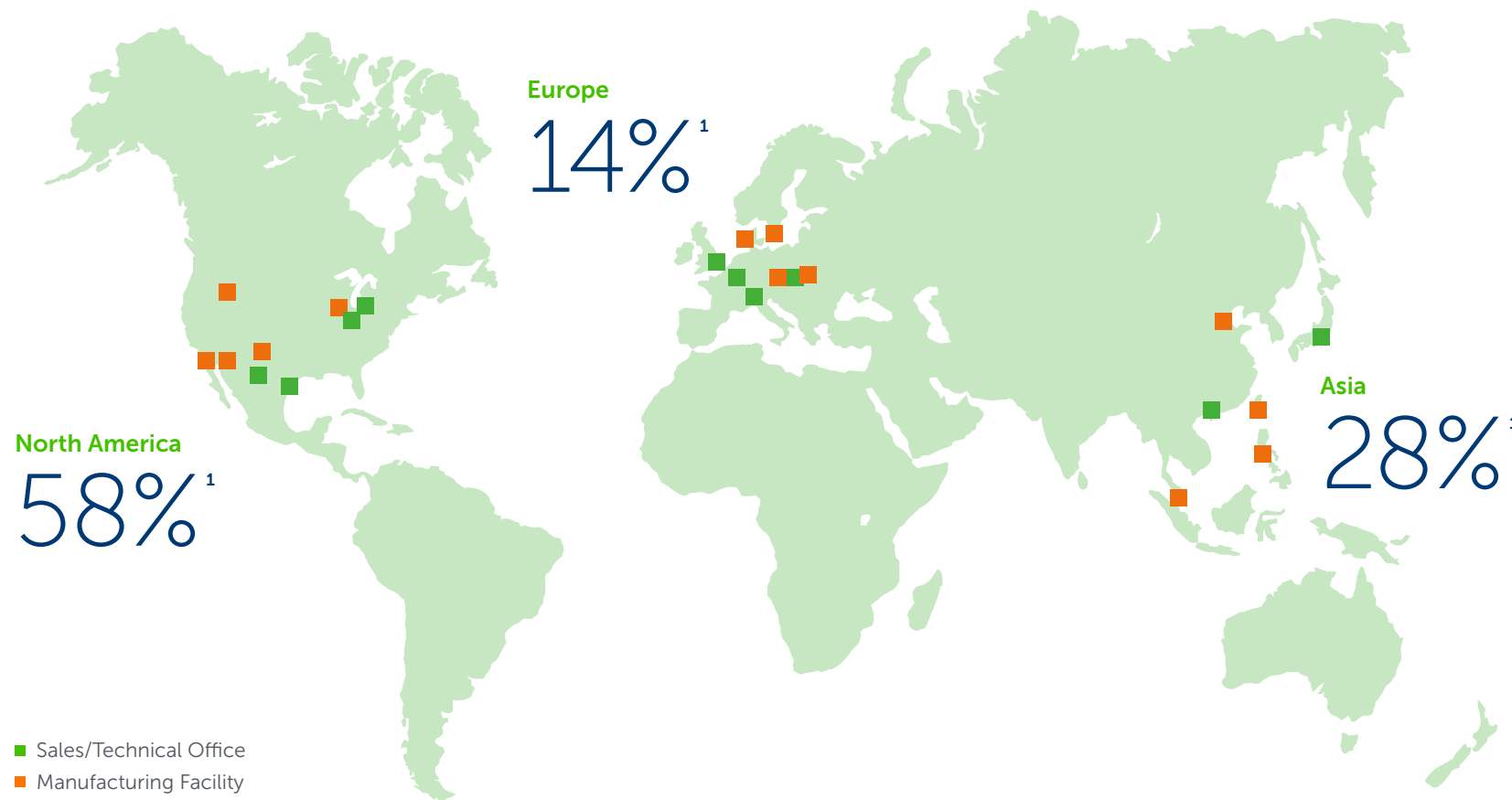
4,200

1. Data as of December 31, 2022.
2. A reconciliation of each non-GAAP financial measure to its most directly comparable GAAP financial measure is included in the Appendix to this ESG Report.

About CTS

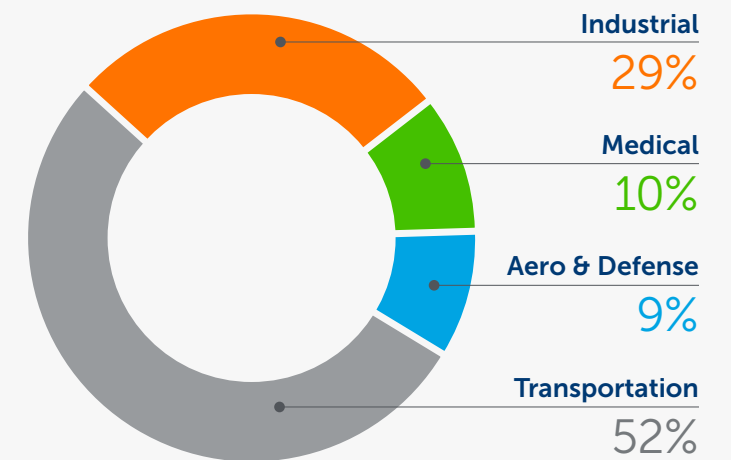
Global Design and Manufacturing Capabilities

CTS has always aimed to be at the forefront of technology, delivering innovative sensing, connectivity and motion solutions enabling an intelligent and seamless world.



1. Percentages reflect the revenue generated by CTS from the applicable geography as of December 31, 2022.

Technical and application expertise applied across diverse growing end markets²



2. Data as of December 31, 2022.

2022 ESG Highlights



2022 ESG highlights include:

- Provided our employees with training in a variety of subjects, including ethics and compliance, health and safety, cybersecurity awareness, anti-harassment and over 3,500 hours of training focused on executive leadership skills and behavior to help them achieve their career goals.
- Advanced our work in the area of diversity, equity and inclusion by:
 - Increasing the number of women in leadership positions in our business from 21% to 26%.
 - Expanding the role of the Compensation and Talent Committee to give the Board of Directors improved visibility to talent and diversity initiatives.
 - Establishing our first Diversity, Equity and Inclusion Committee; a committee comprised of a diverse, cross-functional team of global employees focused on developing and advancing diversity, equity and inclusion programs and opportunities.
- Enhanced our legacy of community outreach by devoting more than 4,400 hours of community service through CTS Cares—our global program designed to promote charitable giving and community involvement.
- Supported the electrification of passenger cars by establishing and advancing our goal of deriving more than 25% of sales of components for light vehicles from electrified platforms.
- Continued development of lead-free piezoelectric ceramics and products supporting non-invasive surgical devices and techniques.
- Implemented our first Sustainability Scorecard aligned with the Sustainability Accounting Standards Board (SASB)¹ standard specific to our primary industry to facilitate the collection of key data, including greenhouse gas emissions, and establish a more accurate baseline of information from which to measure future progress on ESG initiatives.




1. SASB is now part of the IFRS Foundation.

A History of Innovation

Founded in 1896, CTS manufactures sensors, actuators and electronic components in North America, Europe and Asia. Our history of innovation spans 126 years.

2023
CTS publishes its inaugural ESG report, reaffirming its goal to make a difference for employees, stakeholders and the communities in which we operate.




2015–2022
CTS further expanded its piezoelectric ceramic and temperature sensing capabilities with acquisitions of HC Materials, Noliac A/S, Quality Thermistor, Inc., Sensor Scientific, TEWA Temperature Sensors and Ferroperm Piezoceramics.


1990s
CTS acquired Motorola's Component Products Division, and completed a merger with Dynamics Corporation of America, which bolstered CTS' position as a leading producer of electronic components.

1963
As demand in the electronics industry called for the miniaturization of electronic products, CTS responded by manufacturing hybrid microcircuits, designing more functionality into smaller packages, for applications as varied as heart pacers and missile guidance systems.


1942
During WWII, the U.S. Army needed a link to the frontline troops, so CTS integrated telephone and radio component technologies to develop the RM-29 remote telephone field set.




1896
In 1896, the enterprising father and son team of A.J. and George A. Briggs partnered with S.A. Buffington, a Chicago lawyer, to establish Chicago Telephone Supply Company (later to become CTS).




2021
In 2021, CTS marked its 125th anniversary with a renewed vision to carry our core values into the future: Play to Win, Responsiveness, Simplicity and Solution Oriented.




2007–2013
During the late 2000's and early 2010's, CTS completed a series of acquisitions to expand into key markets and drive growth including Alpha Ceramics, Tusonix, Inc., Valpey-Fisher and D&R Technology.




1971
As CTS transitioned into the 1970s, concerns over environmental pollution led to U.S. Government-mandated automotive emission control requirements. The need for throttle position sensing and exhaust gas recirculation controls immersed CTS into the custom under-the-hood and chassis position sensor business, opening new market opportunities.



1958
CTS began addressing the needs of data processing and computing with new and innovative products. In 1958, after four years of intensive research, CTS engineers introduced Cermet, a new type of stable resistance element for the computer as well as military applications.



1922
The beginning of radio broadcasting in the 1920s triggered a boom for consumer radio receivers. CTS began re-inventing some of its well-known telephone products, such as jacks, plugs and headphones for use in the emerging radio market.



Core Values and Guiding Principles

Our Core Values



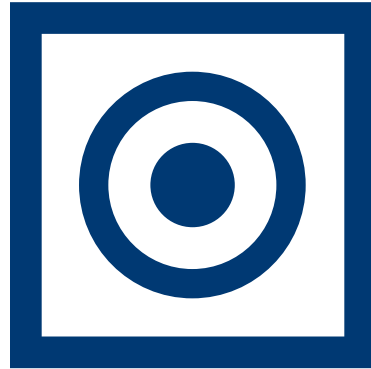
Play to Win

Being ambitious, seizing opportunities, challenging to get best results, acting with humility, intelligence, and integrity



Responsiveness

Being nimble and acting fast, understanding customers' needs, respecting the views and needs of others, working with a sense of urgency



Simplicity

Being straightforward, easy to deal with, reducing bureaucracy and complexity, delivering solutions efficiently and effectively



Solution Oriented

Staying curious and resourceful, embracing challenges, understanding the challenges, finding new and better ways to work together

Our Guiding Principles

Since 1896, we have adapted to meet the ever-changing needs of our customers and employees. The CTS purpose, vision, promise, and values serve as our guiding principles as we continue to develop quality products and create rewarding careers for our employees.

Our Purpose

We're here to enable an intelligent and seamless world.

Our Promise

Your Partner in Smart Solutions.

Our Vision

We aim to be a leading provider of sensing and motion devices as well as connectivity components, enabling an intelligent and seamless world.

Our Values

Play to Win, Simplicity, Responsiveness, Solution Oriented.

Supporting Innovation in Healthcare

CTS has a broad portfolio of products designed to enable an intelligent and seamless world. We are particularly proud of our proven track record of partnering with customers to facilitate solutions in diverse applications that help improve the quality of life and increase efficiency.

Facilitating Non-Invasive Healthcare Solutions



Minimally invasive interventions are a first choice for patients and clinicians due to reduced scarring and recovery time. An increasing number of procedures are performed using laparoscopic surgery (keyhole surgery), sometimes with robotic assistance. CTS' enhanced polycrystalline and single crystal piezoelectric ceramic products assist surgeons to visualize the operation, thereby helping to improve patient outcomes across a variety of interventions.

Intravascular ultrasound (IVUS), enabled by CTS' high-frequency single crystal composite products, helps facilitate clear imaging and identification of plaque and lesions in arteries. Catheter-based interventions reduce the treatment time and, in turn, improve the life of patients with heart conditions.

Ultrasound Imaging Technology



CTS' products have helped facilitate the move to updated 3D and 4D ultrasound technologies. The 3D and 4D ultrasound technologies utilizing CTS' single crystal piezoelectric ceramic products provide higher resolution images that help clinicians identify abnormalities that would have been more difficult to identify using 2D ultrasound technology.

Cataract Surgery

Modern cataract surgery employs phacoemulsification, in which the eye's internal lens is emulsified with an ultrasonic handpiece and aspirated from the eye. An intraocular lens implant can then be installed, allowing cataract patients to experience improved vision. High-performance and high-quality piezoelectric ceramic rings from CTS help enable the safe and reliable operation of the surgical instrument.



Supporting Innovation in Healthcare

Powering Alternatives to Surgery

CTS partners with medical market leaders focused on providing state of the art ultrasound systems used to treat various illnesses with minimally invasive approaches. Notable examples of these applications include a High Intensity Focused Ultrasound (HIFU) for liver or prostate cancer treatment. The goal of the HIFU treatment is to address tumors at an early stage from outside of the body by submitting them to high intensity acoustic energy. The HIFU beam is steered to target the tumor and destroy it without causing any damage to the surrounding tissue, enabling a shorter recovery time and fewer side effects.

Another application of HIFU is the treatment of essential tremor, a movement disorder. Essential tremor can affect a patient’s ability to eat, write and function in the workplace. HIFU targets deep regions of the brain without damaging surrounding tissue, enabling a non-invasive, single treatment of essential tremor.

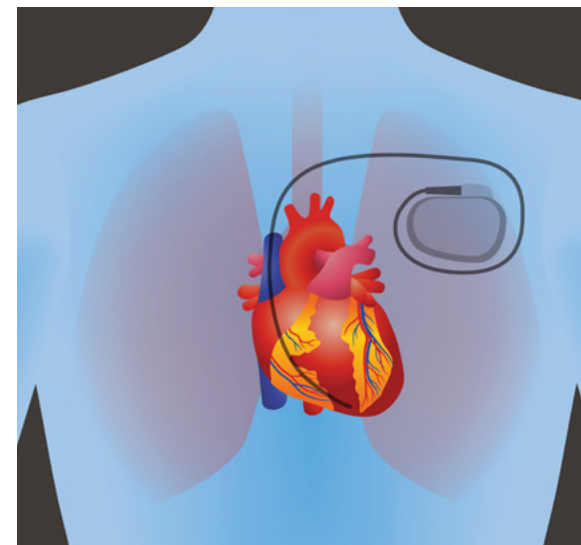


CTS supports medical companies in this field by delivering high-performance, high-quality products from early prototypes at the development stage through certification samples to series production. This process lasts several years and requires close collaboration between CTS and its medical customers.

Supporting the Move Toward Higher Performance Implantable Devices

Wireless cardiac pacing devices are designed to overcome the limitations of existing Cardiac Resynchronization Therapy (CRT) systems. The existing system delivers pacing outside of the left ventricle. The goal of the enhanced system is to eliminate the need for a lead to the left ventricle and the associated complication of that lead. CTS’ single crystal piezoelectric ceramic product enhances the CRT system to convert an ultrasonic wave into electrical energy to achieve the desired functionality wirelessly.

Bone-conduction hearing aids help people with conductive hearing loss or single-sided impairments. While early designs employ electro-magnetic actuators, new designs take advantage of the high force generation of piezoelectric ceramic devices. CTS’ multilayer piezoelectric ceramic components and single crystal products help to provide the additional performance that allows the devices to be more compact and efficient.



Supporting Vehicle Electrification

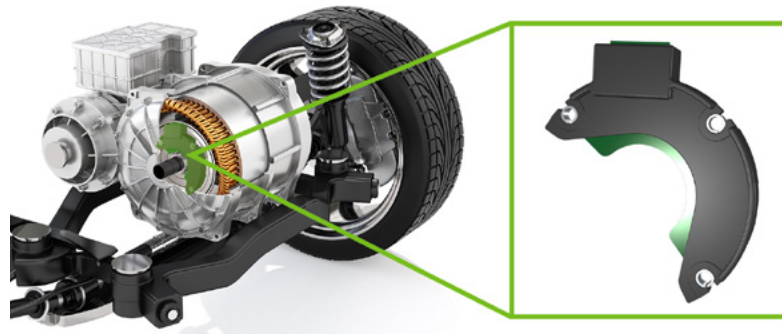
Over 95% of CTS' light vehicle products can be used in electric vehicles. CTS has a goal of having more than 25% of sales of components for light vehicles derived from electrified platforms by 2025.

As the demand for electric vehicles (EV) continues to increase, manufacturers are challenged with designing vehicles that maintain performance expectations while maximizing the positive environmental impact of electric vehicles. We collaborate directly with original equipment manufacturers to provide products that drive innovation in electric vehicles and improve performance. CTS is uniquely positioned to support the electrification of vehicles through its portfolio of products that are platform agnostic—meaning they can be used in electrified vehicles without any additional development or modification—such as CTS' sensor and pedal products.

In addition, CTS' history of innovation is helping facilitate the move to electrified vehicles through the development of products designed specifically for use in EV applications.

EV Sensors

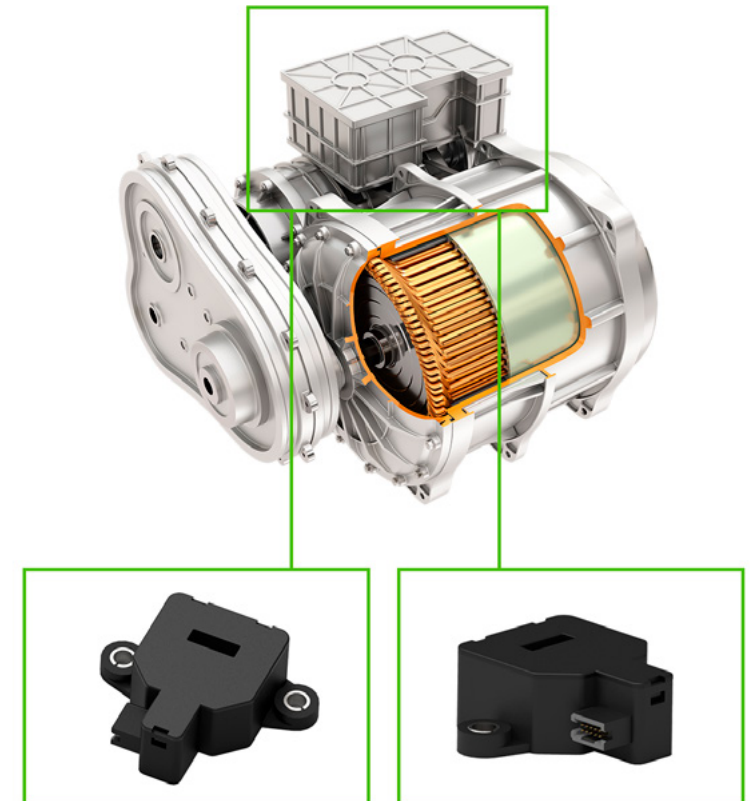
Accurate motor sensing is important to building the future of electric vehicles, and high-speed position sensors collect information about vehicle propulsion and speed to assist in evaluating motor performance.



Electric motor position sensors

Current Sensors

CTS' single-circuit AC current sensors provide a cost effective, customizable solution for EV motor applications.



Supporting Safety

Seat Belt Switches & Sensors

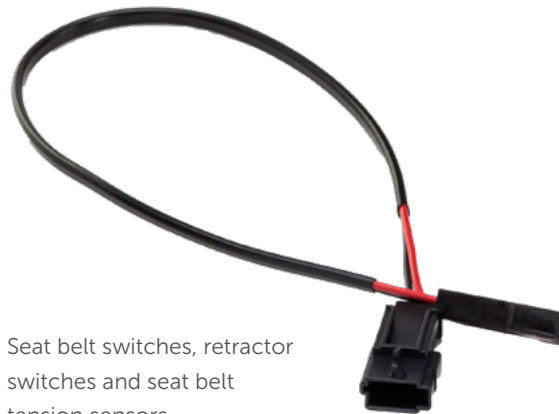
CTS seat belt switches and sensors are reliable solutions critical to driver and passenger safety. Utilizing our expertise in magnetics and Hall-effect sensing, we design products that power essential functions like airbag deployment, and confirm that all passengers are buckled up for every journey.

Seat Belt Switches

- Standard and custom Hall-effect based solutions
- Customized harnesses
- Integrated magnet options

Belt Tension Sensors

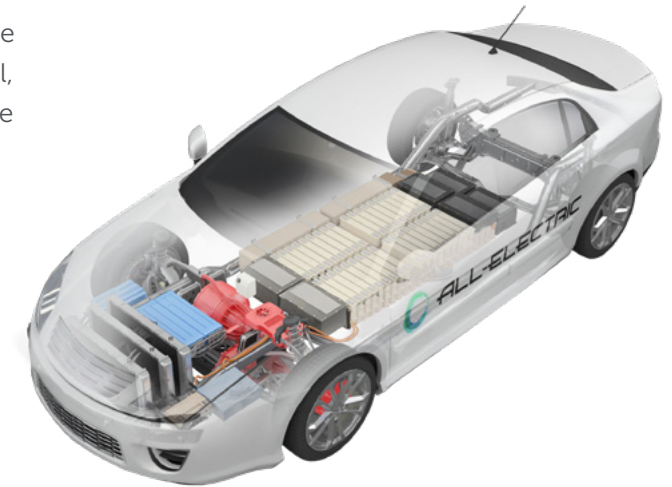
- Inboard (under buckle) and outboard (seat belt webbing) options
- Hall-effect and strain-based solutions



Seat belt switches, retractor switches and seat belt tension sensors.

eBrake™

The CTS eBrake™ product is a 100% electric brake pedal module. Our solution provides the driver with the feel of a traditional brake pedal, without the need to mechanically connect the pedal to the braking system. In addition, the eBrake™ product reduces the weight of the braking system which in turn helps to extend vehicle range.





SOCIAL

CTS Cares

The ability to positively impact society has always been a core element of CTS' corporate DNA. We draw on the collective strengths of our global teams to strive to foster a culture that encourages active employee participation in community volunteer opportunities.



The CTS Cares Difference

4,400+

During 2022, CTS employees invested over 4,400 hours of community service and outreach through CTS Cares programs.

CTS has a rich history of philanthropy and community involvement, and our employees routinely leverage their individual skills and capabilities to give back to their local communities. We value the contributions that our employees make and are proud of their commitment to improving the world around them.

In 2021, we introduced CTS Cares, a platform that connects CTS employees to the causes they consider to be most impactful to their local communities and stakeholders. CTS Cares allows us to fulfill our goals of being good neighbors and better corporate citizens by encouraging CTS employees to seek out and submit volunteer opportunities in their local communities that are consistent with our core values.

CTS Cares not only helps the local communities we call home but also provides our employees with opportunities to build stronger relationships with one another.



"I appreciate the authenticity of CTS and our drive to make change in our environment and communities."

Audrey Pearson
Marketing Specialist

CTS Cares: Key Projects in 2022

CTS Supports Ukrainian Relief Efforts



CTS operates a facility in Lublin, Poland—a community situated roughly 40 km from Poland’s border with Ukraine—that includes a number of Ukrainian employees. After the Russian invasion of Ukraine, CTS employees at our Lublin facility provided meals and other support to Ukrainian refugees. In addition, CTS made a monetary donation of \$10,000 to the city of Lutsk, Ukraine, which was used to update local medical facilities.

Global Relay Challenge



CTS’ Sensors and Mechatronics business hosted the first CTS Cares Global Relay Challenge. Five teams were formed with each team comprised of approximately 25 CTS employees from around the globe. Individuals from each team signed up in designated time slots to walk, run or bike before virtually handing off the baton to a teammate in the next time slot. The winning team, Food4All, tallied the most miles (111.24) and received a grant of \$1,000 from CTS to donate to their selected non-profit, the UN World Food Programme.

Calamba Institute Canlubang



The CTS team in the Philippines helped the Calamba Institute Canlubang, a school that was preparing for face-to-face classes for the first time since the pandemic. CTS donated equipment and materials the school needed to aid in providing safer environments for its students.

Race for Autism un Mundo Contigo



The CTS team in Matamoros, Mexico organized a two kilometer race to raise money for a local association—Autism un Mundo Contigo—that provides specialty care for children on the autism spectrum.

CTS Celebrates Diversity, Equity & Inclusion

CTS strives to foster an environment where all employees are respected and treated equally. CTS promotes a culture that values diversity, equity and inclusion.

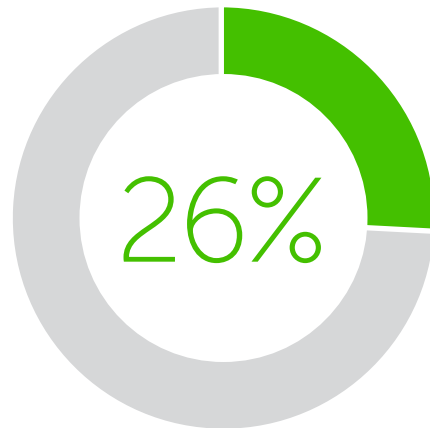


“We foster a harmonious relationship with our colleagues based on hospitality, trust, hard work and mutual understanding.”

Katarungan B. De Pano
Process & Materials Manager

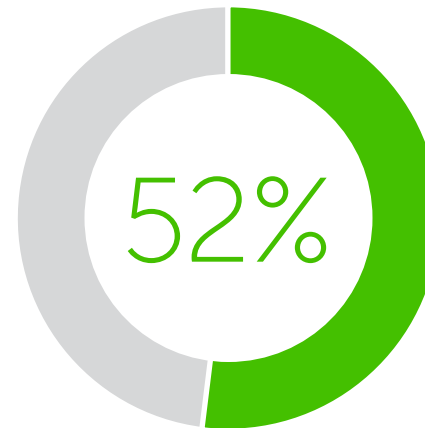
We strive to create an inclusive workplace where everyone feels valued, respected and appreciated—a place where employees can be themselves and can reach their full potential. CTS’ philosophy helps us achieve our business goals, leads to better team performance and, ultimately, better results.

Female CTS Leaders²



To that end, we are proud of the work we have done to promote female leadership in our organization. In 2022, our percentage of females in leadership roles in our business increased from 21% to 26%.¹

Female CTS Employees²



1. For purposes of calculating this metric, a leadership role is defined as any role that has at least 1 direct report based on CTS’ internal employee organization and reporting system.
2. Data as of December 31, 2022.



“The thing I like the most is working with the Single Crystal team. They are good people and excellent co-workers.”

Olivia Gounaris
Plant Manager

In 2022, Olivia Gounaris was promoted to plant manager of our Lisle, Illinois manufacturing facility.

Advancing CTS' Diversity, Equity & Inclusion Strategy

While we are proud of our efforts to promote a diverse and inclusive culture and our achievements to date, we recognize we have more work to do.

In 2022, CTS advanced its efforts in the area of diversity, equity and inclusion by expanding the role of our Compensation Committee (now the Compensation and Talent Committee) to give our Board of Directors improved visibility to our talent and diversity initiatives. In addition, we established our first Diversity, Equity & Inclusion Committee. This committee is comprised of a diverse, cross-functional team of global employees and is focused on developing and advancing diversity, equity and inclusion programs and opportunities throughout CTS.

At the Board of Directors level, we have benefited from having a diverse group of directors who possess the experience necessary to provide the appropriate governance oversight and strategic direction for CTS. Prior to Ms. Li's departure from our Board of Directors, over 40% of CTS' directors were women and/or racially/ethnically diverse. CTS has engaged a search firm to assist us in identifying additional candidates to serve as members of our Board of Directors with the goal of adding directors of diverse backgrounds.

DEI Committee Mission Statement

We are committed to fostering an environment where all employees are respected and treated equally. Empowering our employees' distinctive talents delivers customer-value and advances our culture and engagement.



"Diversity, equity and inclusion are the key enablers of the innovative mindset to imagine the impossible."

Hiyam Wakeem
Vice President of Product Management, Advanced Materials and Solutions

Developing Tomorrow's Leaders Today

At CTS, we believe employee development and achieving our business goals go hand in hand. That's why our learning and development activities are focused on the areas we believe will help employees achieve their personal career development goals. In 2022, we provided our employees with training on a variety of subjects, including over 3,500 hours of training focused on executive leadership skills and behaviors.

CTS Employee Training Programs

Training Topics in 2022

- Code of Ethics
- Harassment Prevention
- Anti-Bribery
- Antitrust
- Conflicts of Interest
- Export Compliance
- Cybersecurity Awareness
- Leadership Skills
- Health & Safety

2022 Training Hours

Leadership/HR Topics	3,571 Hours
Safety	4,436 Hours
Ethics/Compliance	2,332 Hours
Cybersecurity Awareness	2,052 Hours
Total Training Hours	12,391 Hours

Situational Leadership

All leaders are trained on situational leadership, and it is embedded into our performance reviews allowing managers and employees to be aligned on development needs for employee goals.

Accelerated Leadership Program

Designed for current and future leaders interested in advancing their development and career as a CTS leader, this program provides the opportunity to develop a leadership perspective, increase leadership potential and generate clear plans for getting to the next level.

Leadership Essentials

Focused on both soft skills as well as CTS processes and procedures, this program helps CTS create a results-driven and empowered culture. The sessions focus on helping leaders successfully build the skills they need to excel in their leadership roles.



“Our development programs are designed to build competence, self-reliance and strong relationship-based collaboration. These skills are key enablers to reach our strategic goals.”

Lotte Beck
Director, Human Resources

Focus on Health & Safety

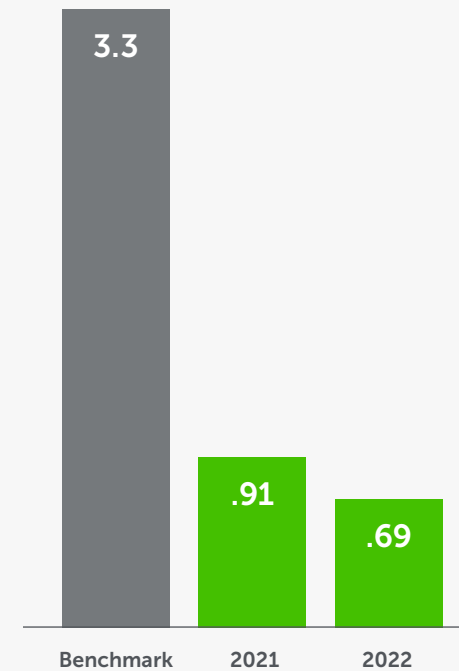
We strive to provide a work environment that enhances employee safety, satisfaction and productivity.

Providing a safe workplace is not only the right thing to do, it's essential to maintaining a high-performance culture, attracting new talent and effectively competing in the marketplace. In 2022, we implemented the enterprise-wide collection and tracking of data to assist with continuous improvement and help achieve future goals.



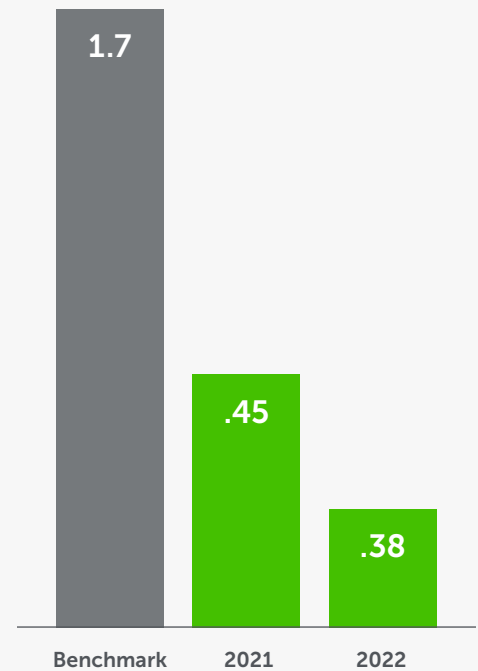
2022 Health and Safety Highlights

Total Recordable Incident Rate



U.S. Bureau of Labor Statistics (BLS)
 Benchmark Manufacturing: 3.3
 Rate of nonfatal work injuries and illnesses
 in all manufacturing sectors

Lost Time Injury Rate



BLS Benchmark Manufacturing: 1.7
 Injury and illness rate involving cases
 with days away from work, job restriction
 or transfer.



ENVIRONMENTAL

2022 Environmental Highlights

Data Collection and Tracking Process

While CTS has collected and reviewed certain environmental data relating to its operations for some time, including, for example, electricity and water usage, in 2022 we began tracking select environmental metrics aligned with the Sustainability Accounting Standards Board (SASB) standard specific to our primary industry, specifically the Sustainable Industry Classification System® (SICS®): Resource Transformation Sector—Electrical and Electronic Equipment standard as well as other ESG metrics. Developing a data collection and tracking process is the first step in our process of further evaluating our environmental impact and identifying areas for improvement. To that end, CTS also utilized an independent, third-party expert to develop our greenhouse gas inventory to confirm our baseline data is accurate. All of the SASB and additional ESG metrics for fiscal year 2022 can be found in the Appendix to this ESG Report.

Lead-Free Piezoelectric Ceramic Products



Lead is a critical ingredient in piezoelectric ceramics, enabling superior performance. Currently, virtually all commercially available high-performing piezoelectric ceramic materials are lead-based. Lead is a critical ingredient in piezoelectric ceramics, enabling superior performance. In 2022, CTS acquired Ferroperm Piezoceramics located in Kvistgård, Denmark. In addition to a full range of lead-based piezoelectric materials, Ferroperm has been developing lead-free alternatives. In addition, in 2021, as part of a consortium, CTS secured funding from Eurostars, a European Innovation Program that supports strategic programs with the potential for positive environmental or commercial impact, to develop next generation textured lead-free piezoelectric ceramic materials. The end goal of these projects is to develop a material with the same performance characteristics that can potentially serve as a replacement for current lead-based systems.

Utilization of Renewable Energy

CTS has begun exploring ways to implement the use of renewable energy solutions. In 2022, CTS acquired TEWA Temperature Sensors Sp. Zo.o. located in Lublin, Poland. TEWA is a designer and manufacturer of high-quality temperature sensors. Solar arrays installed at TEWA's facility have helped reduce TEWA's level of energy consumption.



2022 Environmental Data Highlights¹



Greenhouse Gas (GHG) Emissions (Scope 1 and Scope 2)



GHG Emissions (Total Location Based)

182,310

GHG Emissions (Total Market Based)

179,478

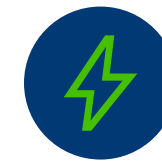
GHG Intensity (Location Based)
(Metric Tons of CO₂e/\$M Revenue)

310

GHG Intensity (Market Based)
(Metric Tons of CO₂e/\$M Revenue)

305

Energy Management



2022 Total MWh Consumed

64,823

2022 Energy Intensity (MWh/\$M Revenue)

110

1. Please see the Appendix to this ESG Report for further information about these metrics and the other environmental data collected by CTS in 2022.

2022 Environmental Data Highlights¹

Water Use Management



2022 Water withdrawn (in Megaliters)

346

Water withdrawn from areas of high water stress (in Megaliters)

104

Water Intensity (Megaliters Withdrawn/\$M Revenue)

.58

Hazardous Waste Management

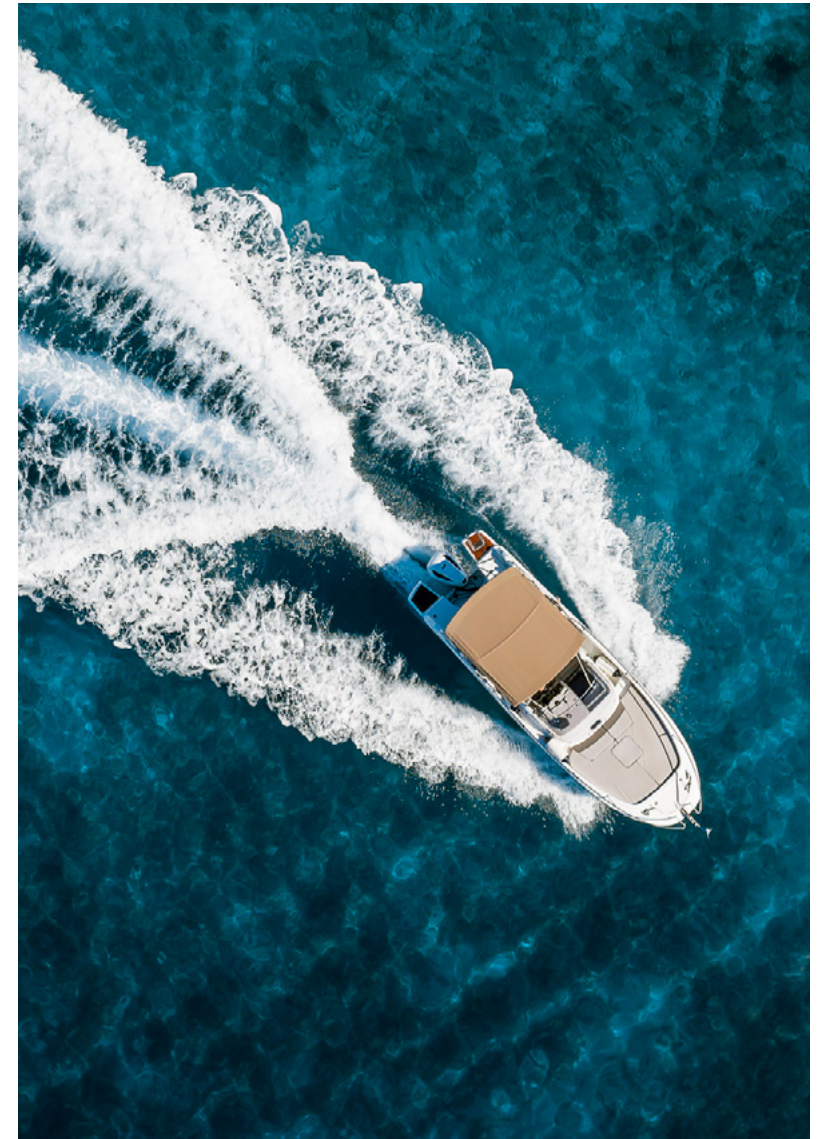


2022 Hazardous Waste Generated (in metric tons)

758

2022 Hazardous Waste Recycled (in metric tons)

233



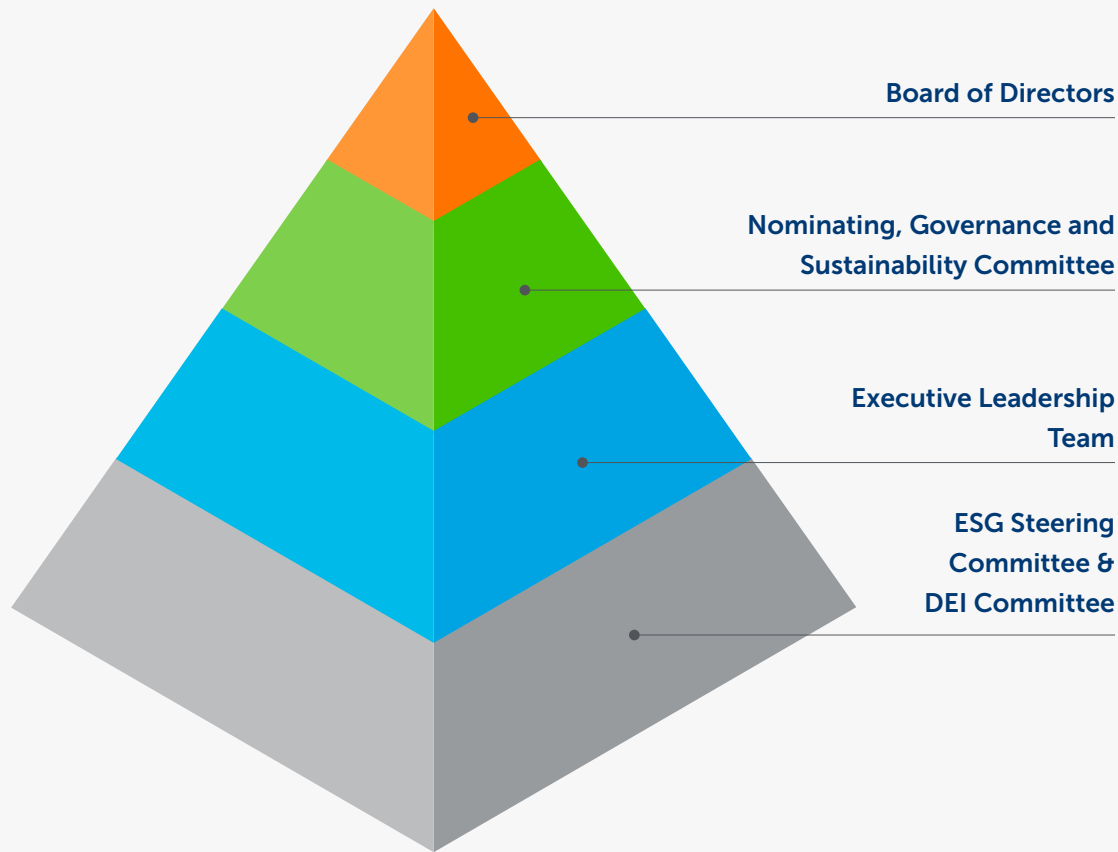
1. Please see the Appendix to this ESG Report for further information about these metrics and the other environmental data collected by CTS in 2022.



GOVERNANCE

ESG Governance Structure

ESG Governance Structure



We have a robust governance structure to enable our employees to have a voice in shaping our ESG strategy, our leadership is invested in advancing that strategy and our Board of Directors has oversight of the strategy and the ESG-related initiatives that CTS has implemented to date and plans to further implement moving forward.

Our ESG Steering Committee, a cross-functional group comprised of representatives from legal, human resources, environmental, health and safety, internal audit, product management and operations, is responsible for spearheading CTS’ ESG initiatives and making recommendations to the leadership team and Board of Directors for advancing those initiatives.

Similarly, our recently-formed Diversity, Equity & Inclusion (DEI) Committee is comprised of a diverse group of global employees focused on developing and enhancing diversity, equity and inclusion programs and opportunities and coordinating with management and the Board of Directors on those strategies and initiatives.

At the Board of Directors level, we have expanded the role of our Nominating and Governance Committee (now the Nominating, Governance and Sustainability Committee) and our Compensation Committee (now the Compensation and Talent Committee) to include reviewing, evaluating and consulting with CTS regarding its ESG policies and initiatives, and to advise the full Board of Directors regarding such initiatives. We provide these committees and our full Board of Directors with regular reports on our ESG policies and initiatives.

The Board of Directors also receives regular reports on other ESG-related topics such as CTS’ cybersecurity policies and programs and compliance-related initiatives.

Board of Directors

Donna M. Costello¹



Age: 50
Director since: 2021

Professional Experience

Ms. Costello served as Chief Financial Officer of C&D Technologies, Inc., a global leader in energy storage solutions and services for the telecommunications, utility, uninterruptible power supply, cable, broadband and renewable energy markets, from 2016 to 2020. She served as Chief Financial Officer (from 2008 to 2016) and Vice President, Controller and Chief Accounting Officer (from 2002 to 2008) of Sequa Corporation, which, through its subsidiary Chromalloy, is a global technology company and a leading solutions provider for aircraft engines and gas turbines. From 1995 to 2002, Ms. Costello held the role of Senior Manager with Arthur Andersen, LLP.

From 2019 until its acquisition in 2022 by Mativ, Ms. Costello was a member of the Board of Directors of Neenah, Inc. (formerly, NYSE: NP), a global manufacturer of specialty materials, including filtration media, specialty coatings and imaging and packaging solutions, serving as Chair of the Audit Committee and as a member of the Compensation Committee. Ms. Costello was a member of the Board of Directors of the towing and trailing equipment producer, Horizon Global Corporation (formerly, NASDAQ: HZN), from 2021 until its acquisition by First Brands Group in 2023, serving as a member of the Audit Committee.

Committee Assignments

- Audit (Chair)
- Compensation and Talent

Skills and Experience Highlights

- Accounting/Audit
- Cybersecurity/Privacy
- Experience as a Chief Financial Officer and Chief Accounting Officer
- Financial Expertise/Literacy
- International Business Experience
- Industry/End-Market Experience
- Public Company Board Experience
- Risk Management

1. Information as of March 31, 2023.

Board of Directors

William S. Johnson¹



Age: 66
Director since: 2015

Professional Experience

Mr. Johnson served as Chief Financial Officer of Cabot Microelectronics Corporation (formerly NASDAQ: CCMP) for almost 15 years, first as Vice President, from April 2003 until April 2013, and then as Executive Vice President, until January 2018. Mr. Johnson served as Senior Advisor to the Chief Executive Officer from January 2018 until January 2019. Cabot Microelectronics, later known as CMC Materials, Inc., and now a wholly owned subsidiary of Entegris, Inc. (NASDAQ:

ENTG), is a leading supplier of advanced materials primarily for the semiconductor industry. From August 2000 until March 2003, Mr. Johnson served as Executive Vice President and Chief Financial Officer of Budget Group, Inc. (formerly NYSE: BD), the globally recognized car rental company, now a part of the Avis Budget Group (NASDAQ: CAR). From 1983 to 1999, Mr. Johnson served in various finance and management roles of increasing responsibility with BP Amoco (NYSE: BP), the global oil, gas and chemical company.

Committee Assignments

- Audit
- Compensation and Talent (Chair)
- Technology and Transactions

Skills and Experience Highlights

- Accounting/Audit
- Experience as a Chief Financial Officer
- Financial Expertise/Literacy
- HR/Compensation
- International Business Experience
- Industry/End-Market Experience
- Mergers and Acquisitions
- Public Company Board Experience
- Risk Management

1. Information as of March 31, 2023.

Board of Directors

Ye Jane Li¹



Age: 55
Director since: 2020

Professional Experience

Ms. Li has served as a Strategic Advisor to Diversis Capital, LLC, a private equity firm primarily focused on investing in software and technology-enabled organizations, since 2013. From 2012 to 2015, Ms. Li served as Chief Operating Officer of Huawei Enterprise USA, Inc., a global information and communications technology solutions provider. Before joining Huawei Enterprise USA, Inc., Ms. Li served as a General Manager of Huawei Symantec USA, Inc., a joint venture between Huawei and Symantec Corporation and a global provider of network security and storage application solutions, from 2010 until Huawei acquired Symantec’s interest in 2012. Ms. Li served as a consultant to The Gores Group, a global private equity firm, from 2010 to 2012. Prior to that, Ms. Li held senior executive roles with Eudyna Devices USA, Inc., Fujitsu Compound Semiconductor, Inc., Neophonics Corporation, Novalux, Inc. and in a director role with Corning Incorporated, from 2004 to 2009.

Ms. Li has been a member of the Board of Directors of Semtech Corporation (NASDAQ: SMTC), a semiconductor, IoT systems and cloud connectivity service provider, since 2016, and currently serves as a member of the Compensation Committee. Ms. Li has been a member of the Board of Directors of Knowles Corporation (NYSE: KN), a provider of advanced micro-acoustic microphones and speakers, audio processing and precision device solutions, since 2018, and currently serves as a member of the Audit and Nominating and Governance Committees. In 2021, Ms. Li joined the Board of Directors of PDF Solutions, Inc. (NASDAQ: PDFS), a provider of advanced analytics solutions for semiconductor manufacturers, and currently serves as a member of the Compensation Committee.

Committee Assignments

- Nominating, Governance and Sustainability
- Technology and Transactions

Skills and Experience Highlights

- Financial Expertise/Literacy
- International Business Experience
- Industry/End-Market Experience
- Operations
- Public Company Board Experience
- Technology/IT/Software Expertise

1. Information as of March 31, 2023.

Board of Directors

Kieran M. O’Sullivan¹



Age: 61
Director since: 2013

Professional Experience

Mr. O’Sullivan joined CTS in January, 2013 as President and Chief Executive Officer and was appointed Chairman of the Board in May 2014. From 2006 until 2012, Mr. O’Sullivan served in several executive-level roles with Continental A.G., a global business focused on technology solutions and products for the transportation and mobility industries, first serving as Executive Vice President of the Global Infotainment and Connectivity business and later adding responsibility for its NAFTA Interior Division. From 2004 until 2006, Mr. O’Sullivan served as Corporate Vice President of Motorola’s Automotive business.

Since 2015, Mr. O’Sullivan has been a member of the Board of Directors of LCI Industries (NYSE: LCII), a supplier of engineered components for manufacturers of recreational vehicles, manufactured homes, marine applications and for related aftermarkets, and currently serves as Chair of the Risk Committee and as a member of the Audit and Corporate Governance, Nominating and Sustainability Committees.

Committee Assignments

- Technology and Transactions (Chair)

Skills and Experience Highlights

- Financial Expertise/Literacy
- International Business Experience
- Industry/End-Market Experience
- Mergers and Acquisitions
- President and CEO of the Company
- Operations
- Public Company Board Experience
- Risk Management

1. Information as of March 31, 2023.

Board of Directors

Robert A. Profusek¹



Age: 73
Director since: 1998

Professional Experience

Mr. Profusek is a partner with Jones Day, a leading global law firm, where he serves as the Chair of the Global Mergers and Acquisitions practice. Since joining Jones Day in 1975, Mr. Profusek has been recognized as one of the world’s leading mergers and acquisitions and corporate governance lawyers. He has worked on hundreds of mergers, acquisitions and buyouts and has advised many boards and director committees on sensitive governance matters.

Since 2005, Mr. Profusek has been a member of the Board of Directors of Valero Energy Corporation (NYSE: VLO), the largest independent petroleum refiner in the world and the world’s second largest renewable fuels producer, currently serving as Lead Independent Director and as a member of the Human Resources and Compensation and Sustainability and Public Policy Committees.

In 2018, Mr. Profusek joined the Board of Directors of Kodiak Sciences, Inc., (NASDAQ: KOD), a biopharmaceutical company specializing in therapeutics to treat chronic, high-prevalence ophthalmic diseases, and currently serves as Lead Independent Director, Chair of the Nominating and Governance Committee and as a member of the Compensation Committee.

Mr. Profusek has served as CTS’ Lead Independent Director since 2015.

Committee Assignments

- Nominating, Governance and Sustainability (Chair)
- Compensation and Talent

Skills and Experience Highlights

- Corporate Governance/Ethics
- Financial Expertise/Literacy
- Legal/Regulatory
- Mergers and Acquisitions
- Public Company Board Experience
- Risk Management

1. Information as of March 31, 2023.

Board of Directors

Randy L. Stone¹



Age: 56
Director since: 2023

Professional Experience

Mr. Stone served as President of DuPont’s (NYSE: DD) Mobility and Materials segment, a leading provider of engineered polymers, performance resins and advanced solutions serving the electronics, industrial, consumer and transportation markets, from 2016 until November 2022 when DuPont divested the majority of the business. From 2012 until 2015, Mr. Stone served as a Director of Investor Relations for DuPont, during which time he gained extensive experience interacting with institutional investors and analysts. Prior to that, Mr. Stone served as a DuPont Regional Director in Asia, based in Shanghai, China.

Committee Assignments

- Nominating, Governance and Sustainability
- Technology and Transactions

Skills and Experience Highlights

- Corporate Governance/Ethics
- Executive Experience
- International Business Experience
- Industry/End-Market Experience
- Investor Relations
- Mergers and Acquisitions
- Operations

1. Information as of March 31, 2023.

Board of Directors

Alfonso G. Zulueta¹



Age: 60
Director since: 2018

Professional Experience

Mr. Zulueta spent over three decades in various roles of increasing responsibility with Eli Lilly and Company (NYSE: LLY), a global pharmaceutical company, including as Vice President of Global Marketing, President of Global Oncology and Critical Care Products and, most recently, as President of International responsible for all geographies outside the United States and Canada, from 2017 until his retirement at the end of 2021. Mr. Zulueta also served as a corporate officer and a member of Eli Lilly and Company’s Executive Committee. Mr. Zulueta previously served as a member of the board of the European Federation of Pharmaceutical Industries and Associations and the U.S.-Japan Business Council.

Mr. Zulueta currently serves on the Board of Directors of Amarin Corporation (NASDAQ: AMRN), a global biopharmaceutical company that specializes in medicines for the treatment of cardiovascular disease, where he is a member of the Compensation Committee. Mr. Zulueta also currently serves on the Board of Directors of Syneos Health, Inc. (NASDAQ: SYNH), an integrated biopharmaceutical services provider, where he is a member of the Nominating and Corporate Governance and Compensation Committees.

Committee Assignments

- Audit
- Nominating, Governance and Sustainability

Skills and Experience Highlights

- Executive Experience
- Financial Expertise/Literacy
- International Business Experience
- Industry/End-Market Experience
- Operations
- Public Company Board Experience

1. Information as of March 31, 2023.

Committees of the Board of Directors

Committee Membership¹

Director	Audit Committee	Compensation and Talent Committee	Nominating, Governance and Sustainability Committee	Technology and Transactions Committee
Donna M. Costello	Chair	Member	—	—
William S. Johnson	Member	Chair	—	Member
Ye Jane Li ²	—	—	Member	Member
Kieran M. O’Sullivan	—	—	—	Chair
Robert A. Profusek ³	—	Member	Chair	—
Randy L. Stone	—	—	Member	Member
Alfonso G. Zulueta	Member	—	Member	—

Key Governance Highlights

- Annual election of directors
- Majority voting standard for uncontested director elections
- All directors are independent except for the chairman
- Diverse and highly skilled Board that provides a range of viewpoints
- Independent Audit, Compensation and Talent and Nominating, Governance and Sustainability Committees
- Executive sessions of independent directors after each board meeting led by the lead independent director
- Annual “Say-on-Pay” advisory vote
- Anti-hedging/anti-pledging policies for directors, officers and certain employees
- Stock ownership guidelines for executives and directors

1. Information as of March 31, 2023.

2. Ms. Li decided not to stand for re-election to CTS’ Board of Directors at the 2023 Annual Meeting of Shareholders.

3. Lead Independent Director

Committees of the Board of Directors¹

Audit Committee

- Responsible for appointing the independent auditor, approving engagement fees and non-audit engagements, and reviewing the independence and quality of the independent auditor.
- Reviews audit plans, audit reports, systems of internal accounting controls, audit results, and recommendations of the independent auditor and the internal audit department.
- Reviews and discusses with management CTS' financial statements, earnings releases and earnings guidance.
- Reviews CTS' annual enterprise risk assessment and cybersecurity controls as well as its compliance with public-company regulatory requirements and its Code of Ethics.

Compensation and Talent Committee

- Establishes executive compensation policies and reviews and approves executive compensation.
- Periodically reviews and consults with CTS about its strategies, initiatives and programs with respect to talent management, which may include CTS' culture, talent recruitment, development and retention, employee engagement and diversity, equity and inclusion initiatives and periodically informs the Board of such strategies, programs and initiatives.
- Reviews and approves corporate goals and objectives relevant to executive officers, including the Chief Executive Officer, evaluates the Chief Executive Officer's performance against those objectives, and makes recommendations to the Board regarding the Chief Executive Officer's compensation.
- Reviews director compensation annually and makes recommendations regarding director compensation to the Board for approval.

Nominating, Governance and Sustainability Committee

- Reviews, evaluates and consults with the Board regarding its ESG policies and initiatives, and advises the Board regarding such initiatives.
- Reviews and makes recommendations to the Board concerning committee assignments and director nominees for election at the Annual Meeting of Shareholders and oversees director recruitment efforts.
- Reviews and makes recommendations to the Board regarding CTS officers for election and succession, including succession planning for the Chief Executive Officer.
- Updates and refines the Corporate Governance Guidelines for the approval of the Board and makes recommendations on matters of corporate governance.

Technology and Transactions Committee

- Reviews and makes recommendations to management regarding CTS' technology strategy, new product development programs, and performance in the context of targeted market segments and strategic goals, as well as CTS' organic development of technology and opportunities to acquire technology directly or through business acquisition or combination transactions.
- Reviews on a preliminary basis, possible acquisitions, divestitures or other transactions identified by management for possible consideration by the Board, assesses existing and future trends and threats in technology that may impact strategy, and reports activities of the Committee to the Board.

1. The information on this page includes highlights of the main functions of the Committees of CTS' Board of Directors. Additional information about CTS' Board of Directors and Committees, including the committee charters, can be found at investors.ctscorp.com.

Code of Ethics

CTS has adopted a Code of Ethics that applies to all CTS employees, including our executive officers and non-management directors.

The Code of Ethics includes CTS’ policies addressing conflicts and potential conflicts of interest, prohibiting workplace harassment and discrimination, compliance with anti-corruption, antitrust and trade laws, prohibiting insider trading and stock tipping and requirements for the accurate and timely reporting of CTS’ financial information.

CTS believes that the principles of fairness, honesty and integrity must guide us in whatever actions we undertake. For CTS to grow and prosper, it is essential that everyone in the organization adhere to the Code of Ethics. In that spirit, we provide our employees with annual training on the Code of Ethics and other compliance-related topics so our employees understand and live up to the high standards of ethical conduct expected and required by CTS.

SPEAK UP It's your Responsibility

CTS Ethics & Compliance Hotline

If you are aware of any potential ethical, legal, or business conduct violations or concerns, please report the issues through the confidential hotline in one of two convenient ways.

+1-888-587-3584
www.convercent.com/report

Key Features:
 Available 24 hours a day / 7 days a week
 Anonymous reporting available
 Operated by third-party provider
 Supports your language of choice

CTS prohibits retaliation against any individual who in good faith reports violations of CTS' policies and ethical standards or who cooperates in an investigation of such violations or other misconduct. Retaliation should be reported immediately. Retaliation will not be tolerated and will subject the violator to disciplinary action.

The Company, through a third-party provider, maintains an Ethics and Compliance Hotline which may be used to report violations of the Code of Ethics and other misconduct. Reports can be made over the phone or through the third-party provider’s website. The Ethics and Compliance Hotline is available 24/7, permits anonymous reporting and supports reports in applicable local languages.

Disclaimer/Forward-Looking Statements

Readers are cautioned that certain statements made by CTS Corporation (“CTS”) relating to environmental, social and governance (“ESG”) matters, including those included in this ESG Report or on its website (such statements, “ESG Statements”), may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, any financial or other guidance, statements that reflect our current expectations concerning future results and events and any other statements that are not based solely on historical fact. Forward-looking statements are based on management’s expectations, certain assumptions and currently available information. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof and are based on various assumptions as to future events, the occurrence of which necessarily are subject to uncertainties. These forward-looking statements are made subject to certain risks, uncertainties and other factors, which could cause CTS’ actual results, performance or achievements to differ materially from those presented in the forward-looking statements. Examples of factors that may affect future operating results and financial condition include, but are not limited to: the ultimate impact of the COVID-19 pandemic on CTS’ business, results of operations or financial condition, including supply chain disruptions; changes in the economy generally, including inflationary and/or recessionary conditions, and in respect to the business in which CTS operates, unanticipated issues in integrating acquisitions,

including our acquisitions of TEWA and Ferroperm; the results of actions to reposition CTS’ business; rapid technological change; general market conditions in the transportation, as well as conditions in the industrial, aerospace and defense, and medical markets; reliance on key customers; unanticipated public health crises, natural disasters or other events; environmental compliance and remediation expenses; the ability to protect CTS’ intellectual property; pricing pressures and demand for CTS’ products; risks associated with CTS’ international operations, including trade and tariff barriers, exchange rates and political and geopolitical risks including, without limitation, the potential impact U.S./China relations and the conflict between Russia and Ukraine may have on our business, results of operations and financial condition; and CTS’ ability to execute on its strategies related to ESG matters, and meet evolving and varied expectations, including as a result of evolving regulatory and other standards, processes, and assumptions, the pace of scientific and technological developments, increased costs and the availability of requisite financing, and changes in carbon markets. Many of these, and other risks and uncertainties, are discussed in further detail in Item 1A. of CTS’ Annual Report on Form 10-K and other filings made with the Securities and Exchange Commission. CTS undertakes no obligation to publicly update its forward-looking statements to reflect new information or events or circumstances that arise after the date hereof, including market or industry changes.

The ESG-related information presented, discussed, referenced or otherwise included in this ESG Report or made available on or through our website does not cover all information about our business. The inclusion or absence of information in CTS’ ESG Statements should not be construed to represent any belief regarding the materiality of such information to our financial results or that such information is necessarily material to investors or other stakeholders for purposes of U.S. federal securities laws. The ESG-related goals and targets presented, discussed, referenced or otherwise included in this ESG Report or made available on or through our website are aspirational and not guarantees or promises that such goals or targets will be achieved. ESG Statements may be based on standards and practices for measuring progress that are still developing, internal controls and processes that continue to evolve, and expectations and assumptions that are necessarily uncertain and may be prone to error or subject to misinterpretation given the long timelines involved and the lack of an established single approach to identifying, measuring and reporting on many ESG matters. Calculations and statistics included in ESG Statements may be based on historical estimates, assumptions and projections and therefore are subject to change. CTS’ ESG Statements have not been externally assured or verified by independent third parties. CTS’ ESG Statements may contain links to other internet sites or references to third parties. Such links or references are not incorporated by reference into the applicable ESG Statement and CTS can not provide any assurance as to their accuracy.

Where You Can Find More Information

Annual, quarterly and other reports filed with the Securities and Exchange Commission by CTS, contain important additional information about CTS and readers are urged to read CTS’ ESG Statements together with those filings, copies of which are available, as applicable, on CTS’ website at investors.ctscorp.com.

Sustainability Accounting Standards Board (SASB) Metrics

We have utilized the SASB standard specific to our primary industry as identified in the Sustainable Industry Classification System® (SICS®): Resource Transformation Sector—Electrical & Electronic Equipment Sustainability Accounting Standard (October 2018). Any omitted topics or data from the standard have been determined to not be material based on our current business model, business strategy and relevant legal requirements per SASB application guidance. Unless otherwise indicated, all accounting metrics have been calculated in accordance with the SASB standard and guidelines.

TABLE 1: SUSTAINABILITY DISCLOSURE TOPICS AND ACCOUNTING METRICS

SASB CODE	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	2022 RESULTS
Energy Management¹				
RT-EE-130a.1	Total energy consumed ²	Quantitative	Gigajoules (GJ)	233,258
RT-EE-130a.1	Percentage grid electricity ³	Quantitative	Percentage	99.96%
RT-EE-130a.1	Percentage renewable ⁴	Quantitative	Percentage	0.04%
Hazardous Waste Management¹				
RT-EE-150a.1	Amount of hazardous waste generated ⁵	Quantitative	Metric Tons	758
RT-EE-150a.1	Percentage hazardous waste recycled ⁵	Quantitative	Percentage	29%
RT-EE-150a.2	Number of reportable spills	Quantitative	Number	0 ⁶
RT-EE-150a.2	Aggregate quantity of reportable spills and quantity recovered	Quantitative	(Kg)	0 ⁶

Sustainability Accounting Standards Board (SASB) Metrics

SASB CODE	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	2022 RESULTS
Product Safety⁷				
RT-EE-250a.1	Number of recalls issued.	Quantitative	Number	0 ⁷
RT-EE-250a.1	Total units recalled.	Quantitative	Number	0 ⁷
RT-EE-250a.2	Total amount of money losses as a result of legal proceedings associated with product safety.	Quantitative	USD	0 ⁷
Product Lifecycle Management⁸				
RT-EE-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances.	Quantitative	Percentage By Revenue	See Note 9
RT-EE-410a.2	Percentage of eligible products, by revenue, that meet ENERGY STAR™ criteria.	Quantitative	Percentage By Revenue	N/A ¹⁰
RT-EE-410a.3	Revenue from receivable energy-related and energy-efficient related products.	Quantitative	USD	N/A ¹¹
Materials Sourcing⁸				
RT-EE-440a.1	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	N/A	See Note 12

Sustainability Accounting Standards Board (SASB) Metrics

SASB CODE	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	2022 RESULTS
Business Ethics⁸				
RT-EE-510a.1	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	Discussion and Analysis	N/A	See Note 13
RT-EE-510a.2	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Quantitative	USD	0
RT-EE-510a.3	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	USD	0

Sustainability Accounting Standards Board (SASB) Metrics

TABLE 2: ACTIVITY METRICS

SASB CODE	ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	2022 RESULTS
RT-EE-000.A	Number of units produced by product category	Quantitative	Number	N/A ¹⁴
RT-EE-000.B	Number of employees	Quantitative	Number	4,210

Sustainability Accounting Standards Board (SASB) Metrics

Notes

1. Data measured from manufacturing operations at CTS' facilities located in the United States (Albuquerque, NM; Boise, ID; Fairfield, NJ; Hopkinton, MA; and Lisle, IL), outside the United States (Juarez, MX; Kaohsiung, TW; Kvistgaard, DK; Lublin, PL; Matamoros, MX; Nogales, MX; Ostrava, CZ; Calamba, PH; Prague, CZ; Tecate, MX; Tianjian, CN; and Zhongshan, CN) and our engineering headquarters in Elkhart, IN. For locations acquired or closed by CTS during fiscal year 2022, partial year data is included beginning as of the date of acquisition or ending as of the date of closure, as applicable.
2. The scope of energy consumption includes energy from all sources, including energy purchased from sources external to CTS and energy produced by CTS itself. The scope of energy consumption includes only energy directly consumed by CTS during the identified reporting period.
3. The percentage has been calculated as purchased grid electricity consumption divided by total energy consumption.
4. Renewable energy is defined as energy from sources that are replenished at a rate greater than or equal to their rate of depletion, such as geothermal, wind, solar, hydro and biomass. The percentage has been calculated as renewable energy consumption divided by total energy consumption.
5. Hazardous wastes are defined per the applicable legal or regulatory frameworks (i.e., U.S. Resources Conservation and Recovery Act (RCRA) or the EU Waste Framework Directive (Directive 2008/98/EC on waste, including its subsequent amendments) within the jurisdictions in which CTS operates.
6. The Company is engaged in remediation activities at legacy operating locations under the supervision of state and federal environmental authorities that may or may not be the result of spills at those locations that occurred prior to the reporting period. These activities include investigation of the nature and extent of contamination, remedial action to address the hazards posed by site contamination and on-going site maintenance and monitoring, in each case in accordance with applicable legal, contractual and regulatory requirements.
7. The majority of CTS' products are components used within other items or products for a specific end use. As a result, CTS' products would not typically be the subject of product recall initiatives. CTS is not aware of any recalls issued or otherwise impacting any of its products in 2022. Data measured from all CTS locations.
8. Data measured from all CTS locations.
9. Some of CTS' products contain IEC declarable substances; however, CTS is in the process of analyzing the relevant data and developing an approach to capturing and measuring the data.
10. The majority of CTS' products are components used within other items or products for a specific end use and do not consume energy. As a result, ENERGY STAR™ criteria are not applicable to CTS' products.
11. The majority of CTS' products are components used within other items or products for a specific end use and do not consume energy. As a result, CTS' products do not themselves generate revenue from energy-efficient or energy related products. While some of CTS' products may be used in other products that may be energy efficient or energy related, CTS does not have access to that information. As result, CTS has not included a value for this metric.
12. CTS uses critical materials in some of its products but at a level that is not material in light of CTS' overall supply chain spend and product portfolio. A discussion of CTS' policies and practices for the management of risks associated with the use of conflict minerals can be found in CTS' Form SD filed on May 26, 2022.
13. See Page 37 for a description of CTS's Code of Ethics and related policies. These topics are covered by Ethical Standards 4 and 6 of the CTS Code of Ethics. A copy of CTS' Code of Ethics can be found in the governance section of its website at investors.ctscorp.com. In addition, CTS provides its employees with annual training regarding the Code of Ethics and other compliance-related topics.
14. The majority of CTS' products are components used within other items or products for a specific end use. CTS does not manufacture any energy generation, energy delivery or lighting and indoor climate control electronics. Hence, CTS has no value to report for this metric.

Additional ESG Metrics

CTS selected the following additional metrics to measure and report for 2022 based on a review of the materiality and importance of these measures to its business, operations, employees, customers, investors and other stakeholders. CTS may decide to supplement or modify the metrics it measures and reports in the future based on the ongoing and future evaluation of its business and the evolution of its ESG strategies and priorities.

	UNIT OF MEASURE	2022 RESULTS
Environmental Data: Energy Management¹		
Revenue	Million USD	587
Non-renewable sources ²	MWh	64,794
Renewable sources ³	MWh	29
Total energy consumption ⁴	MWh	64,823
Energy Intensity	MWh/\$M Revenue	110
Environmental Data: Water Management¹		
Water withdrawn	Megaliters	346
Water withdrawn from areas with high water stress ⁵	Megaliters	104
Water Intensity	Megaliters/\$M Revenue	0.58

Additional ESG Metrics

	UNIT OF MEASURE	2022 RESULTS
Environmental Data: Greenhouse Gas Emissions⁶		
Scope 1 ⁷	Metric Tons CO2e	150,125
Scope 2: Location Based ⁸	Metric Tons CO2e	32,185
Scope 2: Market Based ⁹	Metric Tons CO2e	29,353
GHG Total (Scope 1 & 2): Location Based	Metric Tons CO2e	182,310
GHG Total (Scope 1 & 2): Market Based	Metric Tons CO2e	179,478
GHG Emission Intensity: Location Based ¹⁰	Metric Tons CO2e/\$M Revenue	310
GHG Emission Intensity: Market Based ¹⁰	Metric Tons CO2e/\$M Revenue	305
Social Data: Employees by Geography¹¹		
Asia	Number	1,353
Europe	Number	564
North America	Number	2,293
Total percentage of female employees worldwide	Percentage	52.2%
Total percentage of females in leadership or management roles ¹²	Percentage	26.4%
CTS Employees Total Hours Worked ¹³	Number	8,986,773

Additional ESG Metrics

	UNIT OF MEASURE	2022 RESULTS
Social Data: Employee Training¹⁴		
HR & Leadership Training Hours	Number	3,571
Ethics & Compliance Training Hours	Number	2,332
Safety Training Hours	Number	4,436
Cybersecurity Awareness	Number	2,052
Total hours	Number	12,391
Social Data: Injuries and Safety Incidents Per 100 Employees¹⁵		
Total recordable incident rate (TRIR)	Number	0.69
Lost Time Incident Rate	Number	0.38
Fatality Rate	Number	0
Near Miss Frequency Rate (NMFR)	Number	11.39
BLS Industry Data https://www.bls.gov/charts/injuries-and-illnesses/total-nonfatal-work-injuries-and-illnesses-by-year.htm		
Social Data: Community Involvement		
Community Service Hours	Number	4,414

Additional ESG Metrics

	UNIT OF MEASURE	2022 RESULTS
Governance: Board Information¹⁶		
Board of Directors	Number	7
Female Directors	Number	2
Directors who are underrepresented minorities	Percentage	43%

Additional ESG Metrics

Notes

1. Data measured from manufacturing operations at CTS' facilities located in the United States (Albuquerque, NM; Boise, ID; Fairfield, NJ; Hopkinton, MA; and Lisle, IL), outside the United States (Juarez, MX; Kaohsiung, TW; Kvistgaard, DK; Lublin, PL; Matamoros, MX; Nogales, MX; Ostrava, CZ; Calamba, PH; Prague, CZ; Tecate, MX; Tianjian, CN; and Zhongshan, CN) and our engineering headquarters in Elkhart, IN. For locations acquired or closed by CTS during fiscal year 2022, partial year data is included beginning as of the date of acquisition or ending as of the date of closure, as applicable.
2. Non-renewable sources includes energy from sources that are not replenished at a rate greater than or equal to their rate of depletion.
3. Renewable sources includes energy from sources that are replenished at a rate greater than or equal to their rate of depletion, such as geothermal, wind, solar, hydro and biomass.
4. Total energy consumption includes energy from all sources, including energy purchased from sources external to CTS and energy produced by CTS itself.
5. Water Stress determined using the Water Resources Institute (WRI) Aqueduct Water Risk Atlas.
6. The boundaries of CTS' emissions include manufacturing operations at CTS' facilities located in the United States (Albuquerque, NM; Boise, ID; Fairfield, NJ; Hopkinton, MA; and Lisle, IL), outside the United States (Juarez, MX; Kaohsiung, TW; Kvistgaard, DK; Lublin, PL; Matamoros, MX; Nogales, MX; Ostrava, CZ; Calamba, PH; Prague, CZ; Tecate, MX; Tianjian, CN; and Zhongshan, CN) and our engineering headquarters in Elkhart, IN. For locations acquired or closed by CTS during fiscal year 2022, partial year data is included beginning as of the date of acquisition or ending as of the date of closure, as applicable. The Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol Corporate Standard) published by the WRI and the World Business Council for Sustainable Development (WBCSD) serves as the basis for CTS' GHG emissions inventory. (See <https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf>). The GHG Protocol Scope 2 Guidance, an Amendment to the GHG Protocol Corporate Standard by WRI (See https://ghgprotocol.org/scope_2_guidance), The Climate Registry (TCR), General Reporting Protocol, Version 3.0 (May 2019) and the TCR Annual Default Emissions Factors (See <https://www.theclimateregistry.org/tools-resources/reporting-protocols/general-reporting-protocol/>) also served as resources for developing CTS' GHG emissions inventory. The specific GHGs analyzed for this inventory include carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), and hydrofluorocarbons (HFC). There are no emissions of sulfur hexafluoride (SF6), nitrogen trifluoride (NF3) or perfluorocarbons (PFC) from CTS operations. Emissions of all GHGs from CTS operations are presented on a CO2 equivalent (or CO2e) basis.
7. Scope 1 emission calculation methodology includes: 40 CFR 98 Subpart C Equations C-1 & C-8; The Climate Registry, General Reporting Protocol, Version 3.0, May 2019; Table 5.4 of U.S. Department of Energy, Transportation Energy Data Book, Edition 36, 2018; EPA Guidance Document: "Direct Fugitive Emissions from Refrigeration, Air Conditioning, Fire Suppression, and Industrial Gases", December 2020; TCR 2022 Climate Registry Default Emission Factors, released May 2022, Table 4.1.
8. For purposes of this metric, "location based" greenhouse gas emissions were calculated using the methodology as outlined in The Greenhouse Gas Protocol, a Corporate and Accounting Standard, Rev. Ed., WRI and WBCSD, March 2004.
9. Scope 2 emission calculation methodology includes: IEA Emission Factors 2021; The Climate Registry, General Reporting Protocol, Version 3.0, May 2019; EPA's eGRID2020 Database & Power Profiler; IPCC Fifth Assessment Report; Carbon Footprint Country Specific Electricity Grid Greenhouse Gas Emission Factors, Last Updated: March 2022. For purposes of this metric, "market based" greenhouse gas emissions were calculated using the methodology as outlined in The Greenhouse Gas Protocol, a Corporate and Accounting Standard, Rev. Ed., WRI and WBCSD, March 2004.
10. For purposes of this metric: GHG Intensity is metric tons of CO2e per million in revenue.
11. Data measured from all CTS locations.
12. For purposes of this metric, a leadership or management role is defined as any role that has at least 1 direct report based on CTS' internal employee organization and reporting system.
13. Total hours worked were calculated based on actual hours worked by hourly employees and the expected 1,920 hours per year for salaried employees.
14. Where actual training times were not available, training hours were estimated based on the number of participants and expected time to complete course, as applicable.
15. Data measured based on all CTS full-time and temporary employees.
16. Data as of March 31, 2023.

Reconciliation of Net Earnings (Loss) to Adjusted EBITDA

(\$ in millions)

	2022 (FULL YEAR)	2021 (FULL YEAR)
Net earnings (loss)	\$59.6	\$(41.9)
Depreciation and amortization expense	29.8	26.9
Interest expense	2.2	2.1
Tax expense (benefit)	21.2	(19.0)
EBITDA	29.5	(31.8)
Adjustments to EBITDA:		
Restructuring charges	1.9	1.7
Environmental charges	2.8	2.3
Acquisition-related costs	2.5	—
Non-cash pension expense	4.8	132.4
Foreign currency loss	4.9	3.3
Total adjustments to EBITDA	20.9	139.7
Adjusted EBITDA	\$133.6	\$107.8
Net sales	\$586.9	\$512.9
Adjusted EBITDA margin	22.8%	21.0%

Reconciliation of Diluted Earnings (Loss) Per Share to Adjusted Diluted Earnings Per Share

(\$ in millions)

	2022 (FULL YEAR)	2021 (FULL YEAR)
Diluted earnings (loss) per share	\$1.85	\$(1.30)
Tax affected adjustments to reported diluted earnings (loss) per share:		
Restructuring charges	0.05	0.06
Environmental charges	0.07	0.05
Acquisition-related costs	0.07	—
Non-cash pension expense	.16	3.13
Foreign currency loss	0.15	0.10
Other discrete tax items	(0.11)	(0.11)
Adjusted diluted earnings per share	\$2.46	\$1.93

