

MANUFACTURING CAPITAL

MATERIALITY
ASSESSMENT

GOVERNANCE

MANUFACTURING
CAPITAL

NATURAL
CAPITAL

HUMAN
CAPITAL

INTELLECTUAL
CAPITAL

SOCIAL & RELATIONSHIP
CAPITAL

Manufacturing Capital

L.B. Foster Company is a technology-focused global solutions provider of engineered, manufactured products and services that builds and supports infrastructure. Our organization's activities can be found in various Standard Industry Classifications such as Concrete (32739), Steel Manufacturing from Purchased Steel (3312), Metal Coating (332812), Fabricated Metal Product Manufacturing (332999), Other Fabricated Metal Product Manufacturing, Electrical Contractors and Other Wiring Installation Contractors (23821).

MANUFACTURING FOOTPRINT

Our footprint includes operational control of 17 production facilities comprising approximately 1 million square feet of space and 360 acres. We also have 11 support facilities including warehouses, R&D centers, yard space, and sales offices. These are foundational assets that deliver the value of products and services to the customers and markets we serve. A summary of our assets includes:

Additionally, with approximately 200 service vehicles, we deliver products to construction sites or travel to customer locations to maintain their equipment and assure operational performance.



Location	Material Suppliers	L.B. Foster Production	Market & Customers
Hillsboro, TX Nampa, ID Waverly, WV Loudon, TN Lebanon, TN	Aggregate, Cement, Rebar	Mixture design for various reinforced precast products	Federal, state and local governments supporting infrastructure projects. Also, building construction systems and components for recreation, residential and commercial markets
Bedford, PA	Steel	Fabricate bridge components (forms, rails)	Federal, state and local governments supporting infrastructure projects
Birmingham, AL Willis, TX	Steel pipe, Coatings	Apply protective coating to steel products	Energy and water extraction and distribution
Magnolia, TX	Steel pipe	Cut, weld and thread steel pipes	Water extraction and distribution for agricultural, municipal, and industrial
Columbia City, IN	Steel rail stock	Distribution of stock rail	Transit authorities and industrial plants
Niles, OH Pueblo, CO	Steel rail, Epoxy, Lubricants	Fabricate insulated rail joints and friction management application systems	Freight operators and transit authorities
Burnaby, BC, Canada	Lubricants, Hardware equipment	Assemble friction management application systems	Freight operators and transit authorities
Dublin, OH	Hardware equipment, Software development	Assemble rail friction management, impact detection & environmental monitoring equipment	Freight operators and transit authorities
Sheffield, UK	Steel track components, Lubricants, Hardware equipment	Fabricate rail & track products and friction management applications systems	Rail and Transit Authorities
Nottingham, UK	Electrical components	Digital communication and display equipment	Airport and rail terminals, control rooms, consumer point of sale.
Telford, UK	Electrical components	Digital communication and display equipment	Consumer point of sale

Above is a list of our manufacturing locations only and not inclusive of other support facilities. This list includes both owned and leased facilities. For either, the facility/plant manager has autonomy to budget efficiency and optimization projects; or during lease renewal, negotiate improvement projects to optimize facility and production assets.

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“We are extremely proud to announce that all LBF manufacturing locations now have Quality Management Systems that are certified to ISO9001 and/or industry-specific quality standards such as PCI, NPCA, and AAR M-1003.”

VP, Operational Administration

QUALITY

At L.B. Foster, we take quality seriously. Our quality management system (“QMS”) is designed around meeting the needs of customers, creating value, and ensuring they remain satisfied with the products and services we provide. Our system encompasses all processes and personnel. QMS covers the design of our products, order reviews, supplier quality, production, inspection, shipping, and post-delivery support. Quality is the responsibility of all L.B. Foster employees and is driven by our leaders throughout all locations. Our manufacturing location plant managers, supervisors, and team leads perform monthly quality and safety-focused audits to proactively identify concerns before they impact our customers. Each audit consists of 20-25 basic safety/quality questions that are reviewed at each workstation every month. These questions focus on a variety of categories such as employee training, work instructions and criteria, record keeping, equipment maintenance, product compliance, and employee awareness. The audits have become a valuable tool to identify and reduce safety and quality risks at LBF.

We check the success of our quality program by tracking the Cost of Poor Quality (“COPQ”). We started baselining these costs across all manufacturing locations throughout 2020-2021. The costs include, but are not limited to:

- Scrap and rework;
- Repair costs;
- Re-inspection / Retesting of rework;
- Downgrading;
- Additional freight costs (returns, replace, expediting);
- 3rd party costs / penalties;
- Added field service costs;
- Complaint investigation/resolution costs; and

The tracking of poor quality costs allows us to set reduction goals and drive improvement projects to reduce these costs.

In 2023, we estimated these costs to be ~0.43% of cost of goods sold (“COGS”). Many of these projects will carry over into 2024 to further cut costs associated with defective products.

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"CI is our overall approach to improving performance across the enterprise. It becomes a philosophy of continuous improvement with a playbook for driving efficiency and quality, and streamlining processes that take service levels to new heights."

Continuous Improvement Manager

CONTINUOUS IMPROVEMENT (CI)

We engage continual improvement of our manufacturing facilities in recognition of their role in value creation and to optimize production and processes. We use leading methods for continuing and sustainable process improvement, and in 2023 we had various CI efforts in the form of CI/Lean Training, 5S training, 5S audits, and CI project execution. Furthermore, we have an Operational Excellence scorecard that is published monthly to provide internal transparency regarding financial, quality, safety performance, and customer centrality.

SUPPLY CHAIN PARTNERS

L.B. Foster expects business to be conducted honestly and responsibly, with integrity and transparency. Our Global Vendor Code of Conduct applies to all suppliers, contractors, consultants, agents, and others that provide goods and services to our Company, subsidiaries, and affiliates. This Code has been developed to clarify our global expectations in the areas of business integrity, employee health and safety, environmental management, legal compliance, and labor practices.

Globally, we engage with half or approximately 1,000 partners and suppliers. We have dedicated supplier management teams that are responsible for maintaining healthy, collaborative

relationships focused on cost, quality, service levels, and continuous improvement of processes. We conduct supplier reviews based on risk assessments following our ISO requirements. Supply chain team members, with Tier 1 & 2 vendors, have regular one-on-one meetings, corrective action incident reporting for non-conforming products or services, and take part in industry and trade shows to remain abreast of technological advances.

RECOGNITION

Over time, we have been acknowledged for our manufacturing efforts, such as:

- Winner of Pittsburgh HR Association's "People Do Matter" Award
- Pittsburgh Business Times Finalist: Manufacturer of the Year
- Recognized as an Industry Week Best Plant:
 - Pueblo, CO
 - Vancouver, BC
 - Magnolia, TX
- Noted for manufacturing excellence in New York Times' bestselling book Five Key Principles of Corporate Performance Management

L.B. Foster has a vendor network of **>1,900 suppliers** and an annual spend of **appx. \$240M.**