



2020 ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT  
MARCH 8, 2021

## FORWARD LOOKING STATEMENTS

This Environmental, Social and Governance Report (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,” “expect,” or similar expressions. These statements are based on the beliefs and assumptions of our management and may be based on standards for measuring progress that are still developing and on assumptions that are subject to change in the future. 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, and our employees, policies, and 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. 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 herein. 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 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.

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## ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRINCIPLES AT DUCOMMUN

Ducommun Incorporated (“Ducommun,” the “Company,” “we” or “our”) is a global provider of manufacturing and engineering services, developing innovative electronic, engineered and structural solutions for complex applications in aerospace, defense and industrial markets. Our full-service collaborative approach, broad capabilities and value-added services deliver value for our customers and innovative solutions for their complex electronic and structural needs. These services include new product introduction, supply chain strategies and program management.

Ducommun is committed to respecting, fostering and advancing the interests of all its stakeholders, including customers, suppliers, shareholders, and the communities in which it operates. In support of Ducommun’s pledge to deliver exceptional value to all stakeholders, we are dedicated to supporting the following environmental, social, and governance (“ESG”) principles:

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

Our environmental policy goals are driven by our belief that environmental protection is an essential business practice. Management is committed to environmental protection through leadership, investment and involvement. As such, we strive to:

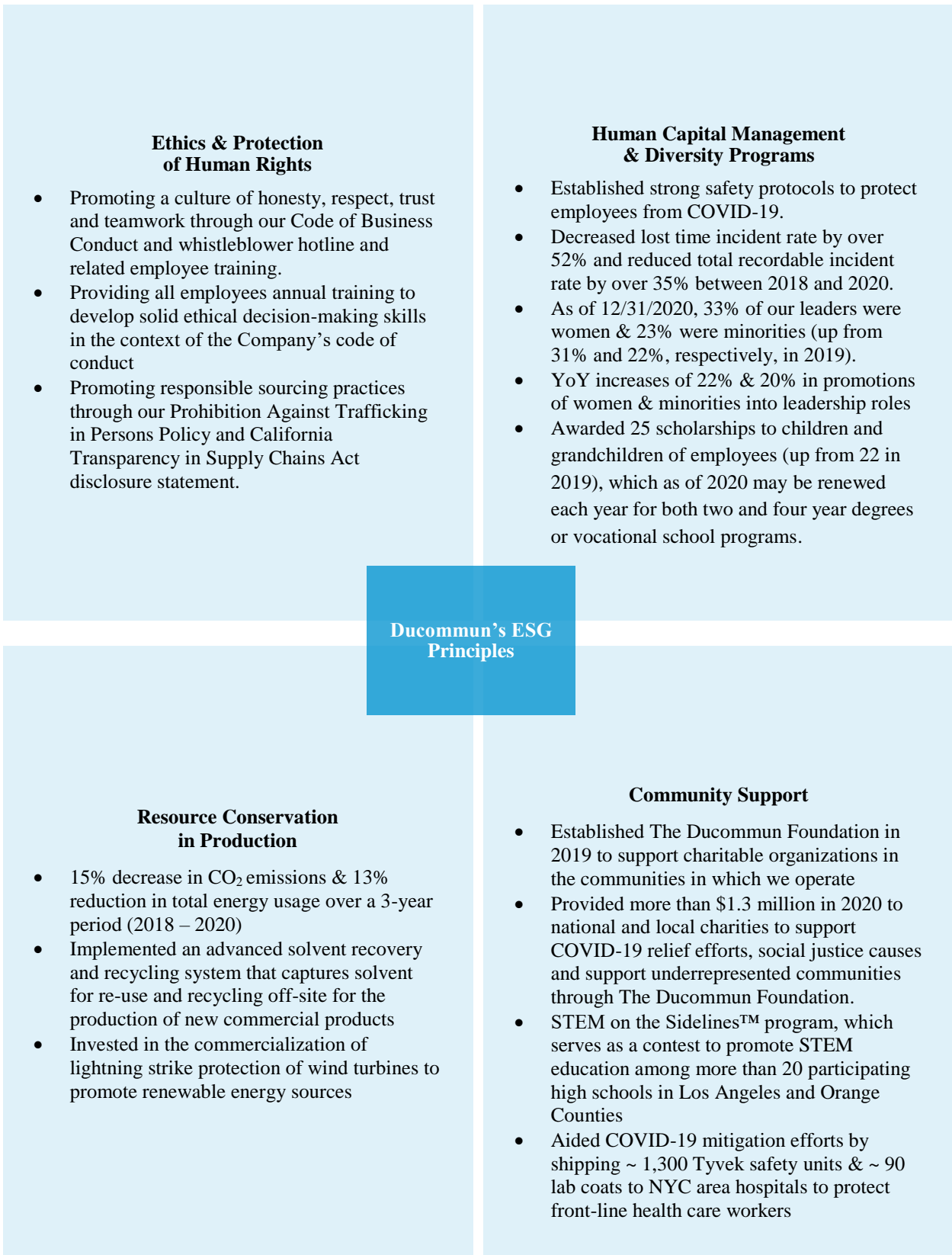
1. Eliminate spills, releases, or other environmental incidents by training our employees on proper material handling practices and promptly investigating and correcting non-conformances.
2. Partner with suppliers who share Ducommun’s commitment to the environment and prudent and safe use of the nation’s 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.

Ducommun’s ESG initiatives are overseen by its Board of Directors (the “Board”) in general, and specifically, its Corporate Governance and Nominating Committee (the “Governance Committee”), the members of which all meet the independence criteria of the NYSE’s listing standards. The Governance Committee reviews and provides input on key ESG metrics for the Company and its stakeholders. In 2020, and based on management’s recommendations, the Governance Committee approved the development of an ESG program substantially based on the Sustainability Accounting Standards Board’s Aerospace and Defense Industry Standard (the “SASB Standard”), as modified, as being most reflective of, and relevant to, the Company’s operations. The Corporate Governance and Nominating Committee receives periodic updates relating to the progression, and status, of the development of the Company’s ESG program, and reports on the status of the Company’s initiatives to the full Board.

In furtherance of these principles, Ducommun has committed to preparing and updating this Report to provide a summary of Ducommun’s ESG efforts and results.

Ducommun’s comprehensive ESG program can be most easily conceptualized in [Figure 1](#) below:

Figure 1:



This Report addresses each of the components of Ducommun’s overall ESG program in an effort to help all stakeholders understand how these issues are currently managed and how the Company will strive to improve on identified metrics in the future.

## ENVIRONMENTAL PERFORMANCE

Ducommun is committed to addressing industry practices relating to environmental sustainability. Working with our customers, supply chain partners and employees, we strive to demonstrate continuous improvement on a number of environmental metrics for the benefit of all stakeholders.

Table 1 and the narrative that follows provide a summary and explanation of the environmental metrics selected by the Company’s Governance Committee based on the SASB Standard, which are most relevant to Ducommun’s operations:

<b>Table 1</b>						
<b>Combined Ducommun Incorporated U.S. Performance Centers</b>	<i>Raw Data</i>			<i>2018-2020 Change (%)</i>		
	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>Percent Change</i>	<i>Normalized by Employee Count</i>	<i>Normalized by Revenue</i>
<i>Air Emissions - Greenhouse Gases<sup>1</sup> (tons CO<sub>2</sub>)</i>						
<b>Carbon Dioxide</b>	<b>8,677</b>	<b>9,048</b>	<b>7,396</b>	<b>-15</b>	<b>-16</b>	<b>-15</b>
<i>Energy Management<sup>2</sup> (GigaJoules)</i>						
<b>Total Energy Use</b>	<b>384,653</b>	<b>396,096</b>	<b>335,093</b>	<b>-13</b>	<b>-14</b>	<b>-13</b>
<b>Total Electricity</b>	<b>227,718</b>	<b>232,453</b>	<b>201,319</b>	<b>-12</b>	<b>-13</b>	<b>-12</b>
Renewable Electricity	100	122	153	52	50	52
<i>Percent Renewable Electricity (%)</i>	<i>0.044</i>	<i>0.053</i>	<i>0.076</i>	72	70	72
<b>Natural Gas</b>	<b>156,935</b>	<b>163,643</b>	<b>133,774</b>	<b>-15</b>	<b>-16</b>	<b>-15</b>
<i>Reportable Spills<sup>3</sup></i>						
Number of Reportable Spills	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>-1.3</b>	<b>0.06</b>
Quantity Spilled (kg)	491	461	2,559			
Quantity Recovered (kg)	0	0	0			
<i>Activity Ratio<sup>4</sup></i>						
Number of Employees	<b>2,426</b>	<b>2,872</b>	<b>2,457</b>	<b>1.3</b>	NA	NA
Revenue (\$000s)	629,300	721,100	628,900	<b>-0.06</b>	NA	NA

1) CO2 from natural gas consumption only as calculated from EPA greenhouse gas equivalency calculator

2) Renewables were included only if produced onsite or procured through special agreement with utility. SASB Framework (Code RT-AE-130a.1). Energy usage for late 2020 is estimated for some locations due to lag in billing.

3) Reportable Spills from SASB Framework (Code RT-AE-150a.2)

4) Annual number of employees derived from 2018 – 2020 Proxy Statements for normalizing data under SASB Framework (Code RT-AE-000.B)

### Greenhouse Gas Emissions

Our primary sources of emissions, other than carbon dioxide (“CO<sub>2</sub>”), come from the use of various paints, adhesives, and coatings, primarily used in the fabrication of aerospace component parts. In our Structural Systems reporting segment, maskants are used on formed metal parts prior to chemical milling. These specialty maskants use a solvent based carrier to allow them to be deposited on the metal.

On a normalized basis, over the three-year period between 2018 and 2020, CO<sub>2</sub> emissions on an enterprise-wide basis decreased by 16%, normalized based on employee count, or 15% normalized based on revenues. We plan to update this Report in the future to provide visibility on our continued efforts to further reduce CO<sub>2</sub> emissions.

Our CO<sub>2</sub> emissions, measured in metric tons, are calculated in accordance with the United States Environmental Protection Agency greenhouse gas equivalency calculation methodology.

In addition to pursuing compliance with air regulations and our permits, we strive to continuously reduce air emissions from our operations. Examples of these efforts include:

- Our Orange, California Performance Center is equipped with an advanced solvent recovery and recycling system that captures solvent for reuse as well as for recycle offsite for the production of new commercial products. This process recycles over an estimated 100 tons of solvent annually.
- Our Carson, California Performance Center is equipped with a thermal oxidizing system that destroys volatile chemical compounds that would otherwise be released to the environment. This system eliminates over 1,000 pounds of chemicals annually that would otherwise have been emitted to the environment.

## Reportable Spills

Reportable spills are defined by the SASB as any release of a hazardous substance in an amount equal to or greater than the reportable quantity as defined by 40 C.F.R. Part 302.4 and 302.6 (b)(1) of the U.S. Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). As a manufacturer of a significant variety of commercial, industrial and aerospace products we are required to store and utilize a wide variety of chemicals, some in large quantities. However, we strive to protect human health and the environment from exposure to such chemicals and maintain both engineering and administrative controls to prevent the spill or release of chemicals. Examples of these controls include secondary and tertiary physical containment systems, implementing routine inspection and maintenance programs, and using redundant leak monitoring sensors and fail-safe valves.

As depicted in [Table 1](#), Ducommun is pleased to report that in each of the years comprising the period between 2018 and 2020, only one reportable spill, as defined by the SASB Standard, occurred in any given year, none of which resulted in significant harm to the environment or human health, nor did any precipitate litigation. Ducommun attributes this low number of spills to the diligence of its dedicated employees as well as its environmental health and safety procedures, practices, and extensive training programs described above. The Company aims to further reduce the number of reportable spills at its facilities going forward.

## Energy Management

We require energy to power our operations, and principally to support production and fabrication processes, and for heating, cooling and lighting our facilities. Our manufacturing operations employ a significant variety of equipment ranging from conventional machining, such as CNCs and mills, to more technologically advanced equipment such as high powered laser cutting, industrial printing, 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 our Structural Systems reporting segment, we specialize in large aerospace parts that require large gantry mills and presses that are several stories tall and apply thousands of tons of pressure.

We seek to responsibly manage our energy usage, including striving to reduce our consumption of both electricity and natural gas, as well as increasing our use of renewable electricity. Some of these initiatives include:

- 1) Installing a heat exchange system at the Appleton, Wisconsin Performance Center that captures excess heat from air compressor equipment and repurposes it for heating buildings during the winter months;
- 2) Initiating efforts at the Monrovia, California Performance Center to upgrade natural gas burners to more energy-efficient models;
- 3) Upgrading facility lighting at the majority of the Ducommun's Performance Centers to high efficiency LED lighting systems, which according to the United States Department of Energy, has the greatest

potential impact on energy savings in the United States. We estimate that these systems collectively result in several million kilowatt-hours of electrical savings annually; and

- 4) Installing solar panels on the roof of our Certified Thermoplastics Performance Center in Santa Clarita, California to reduce the energy purchased from the grid. This system produces over 30,000 kilowatt-hours of renewable energy annually, which equates to approximately 10 percent of the facility's energy needs. This solar generated electricity reduces carbon emissions by reducing the power required to be purchased from the grid.

As depicted in [Table 1](#), the Company is pleased to report that on a normalized basis, between 2018 and 2020, its electricity usage decreased by 13%, normalized based on employee count, or 12%, normalized based on revenues. In addition, during the same time period, the Company reduced its use of natural gas by 16%, normalized based on employee count, or 15%, normalized based on revenues. Overall, Ducommun's total energy usage between 2018 and 2020 decreased by 13%, normalized based on revenues.

We are working to continue to improve our performance relating to the metrics identified in [Table 1](#), and plan to update this Report in the future to convey our progress on these important issues.

## Water Conservation Programs

Ducommun is working to protect and conserve our water resources by striving to operate in compliance with applicable regulations. We also recognize that water is a limited resource, and value sustainability efforts in our use of shared resources. To that end we strive to improve the sustainability of our water needs by reducing, reusing, and recycling water in our operations. The following are a few examples of recent improvements in this area:

- 1) In 2019, our Huntsville, Arkansas Performance Center installed a state of the art industrial water treatment and recycling system to treat its process wastewater. The system allows the reuse of water used in our operations and eliminates what would have otherwise been discharges to the sanitary sewer system. We estimate the system treats and recycles in excess of five million gallons of water annually.
- 2) In 2020, our Appleton, Wisconsin Performance Center installed an industrial parts washing system to reuse process wastewater. The new system diverts water from disposal in the sanitary sewer and reduces water consumption.

As a result of our compliance and water conservation efforts, we were recently awarded the following recognitions in the communities in which we operate:

- Our Joplin, Missouri Performance Center was awarded the 2018 Silver pretreatment award from the Joplin Public Works department.
- Our Monrovia, California Performance Center was awarded the 2019 Good Corporate Citizen certificate by the Los Angeles County Sanitation Department.

## Resource Conservation in Production

We take pride in our ability to successfully operate in highly regulated jurisdictions such as California, which has some of the most stringent environmental regulatory requirements in the nation. To that end, we are constantly striving to reduce the volume of waste generated from our operations and identify innovative ways to reuse, reclaim, or recycle wastes from our production processes to mitigate harm to the environment.

One of our most successful reclamation systems is located at our Orange, California Performance Center. In the aerospace industry, chemical milling is a process that involves the use of a strong acid or base solution, otherwise known as an etchant, to dissolve unwanted aluminum, titanium, or steel during the manufacture of aircraft



parts. The aluminum chemical milling process performed at our Orange facility generates a spent caustic solution laden with dissolved aluminum compound. Our proprietary caustic regeneration system purifies the spent caustic solution and returns it for reuse in the chemical milling process while capturing the dissolved aluminum to be sold to a third party for commercial reuse. We estimate that our Orange Performance Center regenerates approximately 1,500 tons of caustic solution for reuse and reclaims approximately 300 tons of an aluminum compound annually.

Through the implementation of these proprietary processes, we not only reduce air emissions, but also the amount of hazardous waste by-products generated from its operations to support the protection of the environment and citizens in the communities in which it operates.

## **Investment in Renewable Energy Products**

Ducommun has also invested in products to help develop and expand renewable sources of energy. For example, in early 2020, Ducommun was proud to announce that its Lightning Diversion Systems (“LDS”) brand, a global leader in the design and manufacture of segmented lightning diverter strips and protection devices for aerospace, defense and industrial markets, had signed an exclusive licensing agreement with Wichita State University (“WSU”) for advanced lightning strike protection technology to be used on wind turbines. The intent of the partnership with WSU was to further develop and commercialize the technology, originally developed at WSU’s National Institute for Aviation Research (“NIAR”), and offer it to wind turbine manufacturers and operators who require more robust, cost-efficient lightning strike protection to develop this renewable energy source.

Most wind turbines currently in operation are susceptible to lightning strikes, which can cause significant and costly damage to wind turbine components such as blades, controls and electrical systems. While wind turbine blades have existing lightning protection systems, they are unable to effectively transfer lightning current to the ground. By partnering with WSU on this innovative technology, the Company’s goal is to develop advanced protection for wind turbines, which increases their longevity, and therefore could reduce the amount of material going into landfills, as well as promote clean wind energy as a viable energy source.

## **HUMAN CAPITAL MANAGEMENT AND DIVERSITY PROGRAMS**

Ducommun has been engaged in addressing a number of social matters and issues, both within the Company in our management of human capital, and externally with our community based initiatives. We are proud of all that our employee teams have accomplished on these fronts to make Ducommun a more inclusive place to work as well as their commitments to improving the communities in which we live and work.

## **COVID-19 Health and Safety**

At Ducommun, employee safety of has always been our top priority. Due to the COVID-19 pandemic, we implemented numerous protocols at all of our locations relating to the health, welfare and safety of our employees. As an essential business in all of the jurisdictions in which we operate, the Company quickly adopted appropriate COVID-19 prevention measures, including instructing employees who felt ill to stay home, requiring facial coverings and social distancing at work sites, and immediately engaging in contact tracing activities when necessary. As a result of these efforts, Ducommun was able to continue operating its business while implementing measures to help keep its workforce safe, as evidenced by a cumulative positivity rate of only 1.7% of our entire workforce through December 31, 2020.

Specifically, the following health and safety protocols were implemented at all of our locations in March 2020, and which continue to the date of this Report:

- Ensuring social distancing is practiced at all of our facilities by implementing work station dividers, flex staffing, and staggering lunch breaks and work shifts;
- Providing face coverings, gloves and other personal protective equipment at no cost to employees;
- Providing sanitation stations with hand sanitizers and cleaning wipes throughout our facilities;

- Ensuring sanitization of all high traffic and common areas multiple times a day;
- Performing deep cleanings of facilities on a regular basis;
- Restricting travel to essential activities;
- Enhancing third-party visitor screening prior to entry;
- Encouraging telecommuting when possible;
- Requiring temperature checks prior to entry into our facilities; and
- Providing weekly employee communications to ensure up-to-date information to help mitigate the spread of the virus and educate employees and their families on safe practices.

Employee wellness programs and protocols implemented at all facilities included the provision of:

- A paid day off;
- Enhanced sick leave, leave of absence and quarantine pay;
- Paid leave to those employees at higher risk of contracting COVID-19; and
- Paid virtual doctors' visits and employee assistance program.

In addition to the aforementioned protocols and programs, Ducommun management implemented weekly calls with facility managers, human resources leaders and environmental, health and safety personnel at all of its locations to provide consistency in the application of our protocols, obtain real-time information on local conditions, answer questions and share best practices across the organization to allow our workforce to be constantly kept apprised of evolving regulations and safety measures. Finally, the Board was kept apprised with regular updates as to the successful implementation of our safety protocols, COVID-19 positivity rates among our workforce and wellness programs.

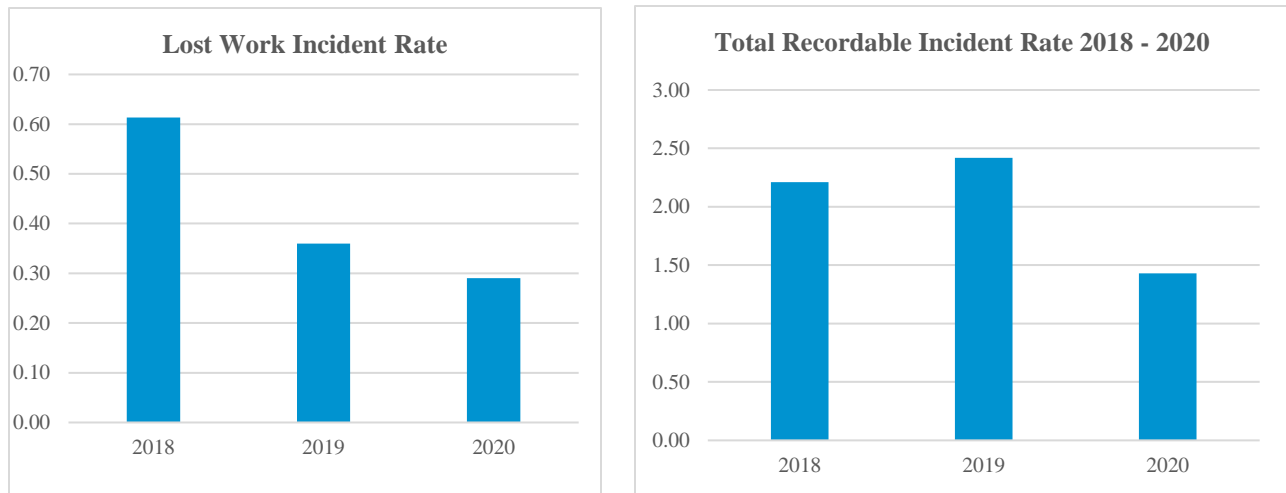


## Operational Health and Safety

In addition to COVID-19 related protocols, Ducommun also places a premium on the safety of its employees in the context of its operations and, in general, within the extended work environment. To that end, the Company established an incident investigation policy to identify the root cause of accidents that result in lost time, implement corrective measures, and improve training to reduce occupational accidents, which included increased and regular communications relating to safety and injury reduction as well as focused programs on high risk activities. Beginning in 2018, Ducommun experienced a total of 15 incidents that resulted in lost work days. However, as a result of these initiatives, we successfully reduced the number of lost time injuries to nine in 2019 and to seven in 2020, marking a reduction of over 50 percent in just two years.

The Company tracks the number of lost work incidents and total recordable incidents incurred by its employees as a measure of the effectiveness of its health and safety programs. Lost work 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 the Occupational Safety and Health Administration. Over the three year period between January 1, 2018 and December 31, 2020, the Company's lost work incident rate decreased by over 52% and the total recordable incident rate decreased by 35%, as depicted in the [Figure 3](#) below:

**Figure 3**



### Diversity in Leadership

Ducommun has been focusing on diversity and inclusion among our workforce and we are happy to report the results of these efforts as reflected in our leadership team. Over the past year, the Company witnessed a 22% year-over-year increase in the number of women being promoted into leadership roles and a 20% year-over-year increase in minorities being promoted into such positions. The total percentage of women and minorities in leadership positions at the Company as of December 31, 2020 are set forth in Table 2 below:

**Table 2**

Level	% Minority	% Women
<b>Vice President and Above</b>	33	17
<b>Directors</b>	24	19
<b>Managers</b>	22	30
<b>Supervisors</b>	20	39

### Diversity in Hiring

Ducommun continues to focus on the development of diverse individuals in an effort to support the Company’s ongoing focus on innovation, creativity and improving results. To this end, in 2020 Ducommun partnered with the Fund II Foundation to utilize its innovative internX platform to provide access to highly qualified and diverse science, technology, engineering and math (“STEM”) students. The program is intended to augment Ducommun’s existing internship matching process by providing access to more than 12,000 talented, highly qualified and diverse STEM students, while offering students an on-ramp to 21<sup>st</sup> century jobs. We strongly believe that a diverse hiring process at the intern level will return dividends on inclusive hiring going forward and help Ducommun develop a diverse leadership team as our interns continue in their careers.

## Investment in our Employees

There are several programs we implemented and maintain for the financial and educational well-being of our employees and their families. For example, in 2019, we introduced our Employee Stock Purchase Plan (“ESPP”). The ESPP provides employees with the opportunity to share in the ownership of Ducommun and its performance through the purchase of shares of the Company’s stock. The plans allows eligible employees to accumulate contributions through after-tax payroll deductions to purchase shares of Ducommun stock at a 15% discount. In 2020, we continued to grow the program, with a 35% increase in participation since it was launched. In addition, our 401(k) program has an 86% participation rate among eligible employees, with annual training and monthly educational sessions held at each Ducommun location.

Moreover, the Ducommun Scholarship program is an exclusive benefit for the children and grandchildren of full-time Ducommun employees who plan to continue education in college or vocational school programs. Students are awarded scholarships based on their academic record, demonstrated leadership and participation in school and community activities, honors, work experience, statement of goals and aspirations, and an outside appraisal. In 2020, Ducommun was proud to further expand the Ducommun Scholars scholarship program and awarded a total of twenty-five scholarships during the year, an increase from the twenty-two scholarships awarded in 2019 and eight awarded in 2018. Moreover, the Company’s program now permits students to renew scholarship awards for each academic year towards completing a two or four year degree. This enhancement to the program was adopted based on an awareness that some students would begin, but often not complete their studies, which Ducommun was determined to change. Scholars are selected by an independent scholarship firm which administers the application, review process, and award selection, and evaluates applicants on solely on merit, using criteria including academic performance, demonstrated leadership, and participation in school and community activities. Data relating to our scholarship programs are depicted in [Figure 4](#) below.

Figure 4



## HUMAN RIGHTS AND INVESTING IN OUR COMMUNITIES

### 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 its employees. To establish this trust and reflect this commitment, the Company relies on an anonymous hotline to support its Code of Business Conduct and Ethics and empower its 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 ethics bulletins to promote a culture of high ethical standards where employees are free to voice any concerns.

The Company is also committed to respecting human rights and establishing high levels of ethical conduct throughout its supply chain. To that end, and in support of the United States Government’s policy prohibiting trafficking in persons, the Company has 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 Fiscal Year 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 to not procure commercial sex acts, or engage in 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 human trafficking and slavery from occurring in its supply chain.

## Community Investment

Ducommun is committed to being an active member of the communities in which it operates by contributing not only financial resources, but also volunteering time to help these communities become strong and better environments in which to live and work. The Company accomplishes this by focusing on educational opportunities for underprivileged students, supporting small business recovery in communities facing social unrest, and in 2020, aiding those most impacted by the COVID-19 pandemic. Specifically, working through industry associations during the initial phase of the pandemic, Ducommun was proud to be able to ship approximately 1,300 Tyvek safety suits and more than 90 lab coats to New York area hospitals to help protect front-line health care workers.

In 2019, the Company founded The Ducommun Foundation, which is a Section 501(c)(3) organization dedicated to financially supporting local and national non-profit and charitable organizations in the communities in which Ducommun operates. In 2020, The Ducommun Foundation donated more than \$1.3 million dollars to charitable organizations assisting those individuals impacted by the COVID-19 pandemic, with an average of \$85,000 being donated in each location in which we operate. Moreover, The Ducommun Foundation donated \$75,000 to the National Action Council for Minorities in Engineering to establish scholarships for underrepresented minorities looking to enter STEM careers, as well as \$35,000 to the Los Angeles Urban League to aid small business recovery from the social unrest that occurred during the summer of 2020. The Ducommun Foundation hopes to continue its mission to provide additional support to charitable organizations in 2021.

## STEM on the Sidelines™ Program

In 2020, Ducommun once again teamed with the Los Angeles Chargers (“LA Chargers”) of the National Football League and the University of California, Irvine (“UCI”) on the STEM on the Sidelines™ program, which serves as a contest to promote STEM among 34 participating high schools in Los Angeles and Orange Counties. In its third season, the competition will offer participants, working in teams of one to three students, one of two categories to choose from: either designing and building a robotic prototype, or building a Chargers world in Minecraft.



## Orange County Business Journal Recognition

In 2020, Ducommun was proud to be named to the Orange County (California) Business Journal’s 2020 List of Fastest-Growing Public Companies. To qualify for the recognition, companies are required to have more than \$500 million in revenue and achieve a minimum of 15% revenue growth in the two years ended June 30, 2020.



## CORPORATE GOVERNANCE PROGRAMS

Ducommun Incorporated is a publicly held company that trades on the New York Stock Exchange under the ticker symbol “DCO.” The Board serves as the Company’s highest governing body, is actively engaged in the Company’s corporate governance matters and is regularly appraised of, and oversees, the matters discussed in this Report. In addition, our Board allocates its risk oversight obligations between four committees, including the Audit Committee, a Corporate Governance and Nominating Committee, a Compensation Committee, and an Innovation Committee.

We have adopted a comprehensive set of policies and procedures to provide for effective corporate governance and appropriate ethical standards and practices for our Company. The interplay between our Board level committees and our policies are summarized in [Table 3](#) below:

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

In addition, [Table 4](#) below summarizes the salient features of Ducommun’s corporate governance practices.

<b>Board and Governance Information</b>			
Size of Board	7	Poison Pill	No
Percentage of Independent Directors	86%	Code of Business Conduct and Ethics	Yes
Classified Board of Directors	Yes	Stock Ownership Guidelines: Directors and Executives	Yes
No. of Directors Attending < 95% of Board Meetings	0	Anti-Hedging and Pledging Policies	Yes
Board Meetings Held During FY 2020	5	Compensation Clawback Policy	Yes
Annual Board and Committee Self-Assessments	Yes	Capital Structure with One Vote per Common Share	Yes
Regular Executive Sessions without Management	Yes		