FOREMARK
Performance Chemicals
PURE PROGRESS

2021
Sustainability Report

With an eye to the future, Foremark leads the way in the sustainable manufacturing of products supporting the transition to a greener world. We continually pursue innovative, clean, and responsible chemistry to bring pure progress to our customers, our markets, and our communities.

In 2001, Foremark Performance Chemicals was founded on the principles of innovation, customer satisfaction and care for our people, our environment, and the communities in which we operate. Today, Foremark is a recognized sustainability leader, bringing our commitment to pure progress to the chemicals used in natural gas sweetening applications, specialty derivatives, and controlled release fertilizers.

We bring together a passion to exceed customer expectations with world-scale production capacity and proprietary technology to offer superior products and services through sustainable manufacturing. Agile and responsive, we are dedicated to continuous improvements through ongoing investments in developing our team, processes, and systems.

0.0 recordable injury rate in 2021

RESPONSIBLE CARE®
OUR COMMITMENT TO SUSTAINABILITY

Top 25% of EcoVadis reviewed companies

SILVER 2021 ecovadis Sustainability Rating

4x recipient of the Union Pacific Chemical Transportation Safety Pinnacle Award

UNION PACIFIC

Foremark's technology enables the clean and safe production of natural gas, enhancing the transition from coal towards cleaner energy and a lower emissions future.

Triazine reduces natural gas flaring, preventing emissions of greenhouse gases, and it extends the life of production equipment and pipelines leading to lower replacement costs and preventing leaks.

Our state-of-the-art La Porte, Texas manufacturing facility produces 4x the energy it consumes by utilizing heat recovery. The site's unique design and best-in-class technology has also allowed Foremark to minimize air pollution, waste and water usage while maximizing yields.

Foremark produces essential chemical building blocks for products that help customers reach their sustainability goals such as energy-saving insulations and slow-release fertilizers that increase crop yields while reducing pollution of watersheds and soil.

Message from Our CEO

Today, we're proud to publish our inaugural Sustainability Report. This report reflects our continued commitment to lead the way in creating chemistries and solutions that support the transition to clean energy, increase performance and efficiency, and enhance modern life.

Leading by Example

We have a long history of incorporating environmental, social, and governance considerations into our decision-making. Foremark Performance Chemicals has been aligned with proven sustainability principles and has continually pursued innovative, clean, and responsible chemistry to bring pure progress to our customers, industry, and the communities in which we operate. With respect for people and the environment, our ESG strategy along with our mission and values is at the very essence of who we are and what we stand for.

Throughout our operations, we have built sustainability into our processes, our equipment, our procedures, and our production. Using a forward-thinking approach, our plant was specifically designed to provide higher levels of efficiency and maintenance-free service for years. The vast majority of our raw materials are received via pipeline with essentially no emissions or transportation hazards. During the conversion of raw materials to products, multiple heat exchangers are used to recover waste heat and convert it into useful steam. In addition, our highly automated process ensures precise quality with virtually zero rework or disposal.

Innovation Drives Sustainability

Through our ongoing pursuit of innovative and sustainable solutions, in 2011 Foremark organically developed triazine products designed to sweeten natural gas, a process that removes hazardous and corrosive hydrogen sulfide gas. Hydrogen sulfide (H_2S) must be removed to meet sales specifications of natural gas or the producer will have to burn it via flare, which contributes to greenhouse gases.

OUR MISSION + VALUES

To be the industry leader in innovative, high-performance products manufactured with efficient, clean, and sustainable processes. We advance progress by investing in our people, our customers, and our communities with the future in mind.

Safeguarding People and Environment

We value safety and our environment above all else.

Engaging to Make A Difference

We value our employees being engaged difference-makers who lead through knowledge, respect, collaboration, openness and integrity. Our passion is to exceed the expectations of our customers.

Leading at All Levels

We value decision-making within our individual scope of responsibility while being empowered to communicate creative ideas and potential solutions for continuous improvement.

Ambitiously Improving

We value continuous improvement and deliver this by investing in and developing our people, processes and systems. We are an innovative and learning organization that listens to our stakeholders and challenges the status quo. We are driven to excellence.

Message from Our CEO

Dedicated to Ongoing Improvements

In 2019 we began a series of multi-phased initiatives to evaluate and invest in plans to improve the sustainability of our operations. This included aligning with the American Chemistry Council (ACC) and EcoVadis to rate, benchmark, and guide our ESG initiatives. As a result, Foremark is certified by the ACC's Responsible Care Management System® (RCMS). The RCMS certification is a testament that our employees are committed and engaged to ensure ethical, safe, environmentally sound, and sustainable practices that protect each other, our customers, and the communities where we live and work. I am incredibly proud of our organization and the work we are doing. While there is still much to be done, we are committed to communicating our progress and holding ourselves accountable as we develop innovative, high-performance products through efficient, clean, and sustainable manufacturing on our journey toward a low carbon, zero-waste future.

Sincerely,
Randy Owens, CEO

Foremark has received the Silver Medal rating from EcoVadis in recognition of its sustainability efforts and robust Corporate Social Responsibility practices. A trusted global platform for assessing business sustainability that rates over 75,000 companies in over 160 countries, EcoVadis ranked Foremark in the Top 25% of the companies reviewed in its latest survey.

SILVER 2021 ecovadis Sustainability Rating

Foremark's Commitment to Cleaner Energy

RAW MATERIALS → **PRODUCTION** → **FOREMARK PRODUCTS + SOCIETAL BENEFITS**

MeOH (80%)[1]

Amines (~15%)

Sustainable Manufacturing

4x more energy produced than consumed: High heat recovery results in net negative CO_2 impact from steam recovery[2]. Byproduct steam is designed for recovery and consumption by site partners.

Drive to zero waste: Our products are produced with virtually no process wastewater or solid waste generation. With essentially zero off spec material and onsite recovery of process materials, the plant is designed for zero process waste.

High efficiency air quality controls: Plant VOCs are treated via state-of-the-art catalytic converters that do not require fuel assist. This method avoids thermal pollution, NOx, and CO_2 that would be caused if a flare or incinerator were used.

Beneficial reuse: Rainwater to containment pads and product samples are recycled back to the process to avoid waste. Also, all treated sanitary water is used for irrigation.

Natural Gas = Clean energy and major feedstock for Foremark raw materials

Triazine

Sweetening of natural gas enhances and expedites the transition from coal towards cleaner energy while also reducing flaring and thus air pollution and GHG emissions combating climate change while eliminating acid gas hazards and corrosion.

Formalin

Major building block for the chemical industry, e.g., MDI – used for highly efficient thermal insulation which reduces energy consumption; NPG – low VOC polyalcohol used for polyurethane adhesives and coating resins and many other applications enhancing modern life. Key producers of MDI and NPG are using a biomass balance approach replacing fossil fuel-based raw materials with renewable feedstock.

UFC

Slow-release fertilizers reducing pollution of the watershed and soil. Onshoring wood panels production reducing ocean freight.

1 Pipeline supplied = zero freight.
2 Carbon negative based on Scope 1 and 2 emissions.

Innovation + Operational Excellence

Innovation and operational excellence are at the heart of changes that drive sustainability.

Our integrated management systems and the dedicated people behind them are key to accomplishing our business imperatives and our 21st century operating vision of safe and sustainable manufacturing of products. This vision is integral to our company playing a key role in the global transition from CO_2-intensive processes and products to a carbon-neutral future.

Innovating for a Sustainable Future

Through innovation, we are transforming tomorrow by revolutionizing the processes and products that shape it today. Our Research and Development initiatives enable us to create more efficient and better-performing products with fewer impurities than previously possible. Every day, we strive to provide solutions that lower CO_2 emissions to industry, home, and farm applications. This includes treatment products for natural gas, the raw material to make home and appliance insulation, and feedstock for slow-release fertilizers.

Pur-EST™ Scavengers

Foremark's newly patented Pur–EST™ technology designed to effectively replace traditional MEA triazine is a field-proven, cost-effective solution to remove hydrogen sulfide from natural gas. This gas sweetening technology enables increased production and commercialization of natural gas which has an important role in reducing air pollution and GHG emissions.

Foremark's new process technology to manufacture the Pur–EST™ products increases energy efficiency by 65% and significantly reduces the Nitrogen Oxides (NOx) emissions versus standard triazine process technologies. Furthermore, the raw materials used in the synthesis of the Pur–EST™ scavengers allow for a significant reduction in transportation, decreasing the impact to the environment.

Learn more about our products
Visit ForemarkPerformance.com

Innovation + Operational Excellence

Unique Forward-Thinking Plant Design

The unique design of our La Porte site delivers sustainability advantages across the areas of air, water, and energy. The plant is highly integrated with multiple heat recovery processes that minimize energy usage per pound of product. In fact, our exothermic production process enables Foremark to recover more energy than is consumed. The plant also operates at very high yields, which generate minimal waste. We also have very low CO_2[1], NOx, and VOC emissions from manufacturing. In fact, our NOx and VOC emissions are equivalent to those of a home lawnmower. Our process uses catalytic oxidizers to treat gas waste as opposed to much less efficient flaring process or thermal oxidizers.

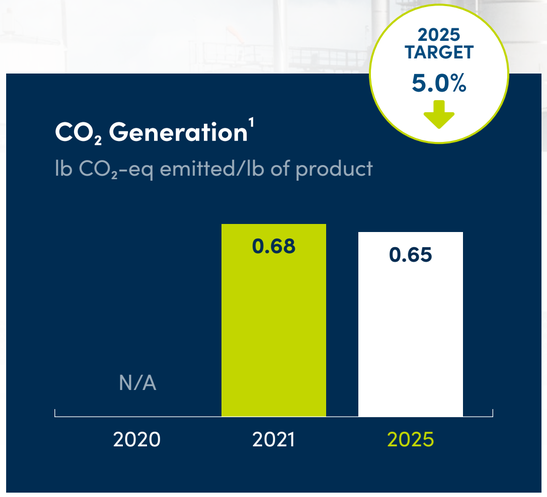
Operational Excellence from High Automation

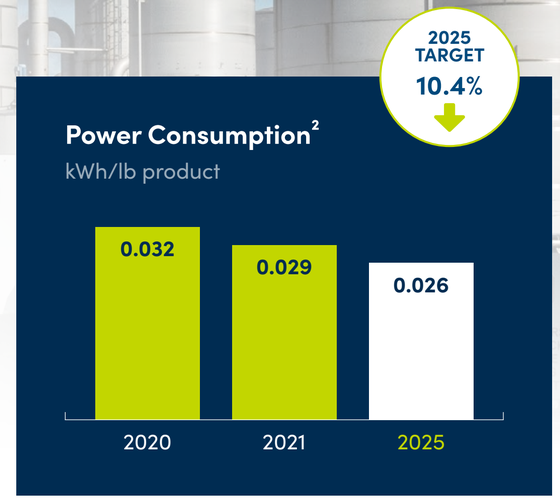
Our facility's highly automated systems together with our state-of-the-art measurement systems allow tight and safe quality control of products and processes. As a result, the plant is highly efficient, operates with minimum Health Environment Safety (HES) issues, and delivers high levels of customer satisfaction.

Safe Manufacturing via Integrated Management Systems

At Foremark Performance Chemicals, our objective is to make products that not only improve the lives of our customers but also keep our planet and future generations in mind. Through our integrated operational management systems, including ISO 9001, RCMS, EcoVadis, and Process Safety Management, we deliver safe and responsible manufacturing and supply chain operations.

We recover more energy from our production process than is consumed.





1 CO_2 generation is based on Scope 1, 2, and 3 emissions. Note, Scope 1 (e.g., Plant CO_2 emissions) represent less than 5% of these emissions.

2 Electrical power consumption verses product produced is considered best-in-class. Foremark commits to strive for incremental improvement from this already low level.

Environment

Since its establishment, Foremark Performance Chemicals has shown an unwavering commitment to environmental protection, health, safety, security, and product stewardship.

Through our HESQ Policy, we are dedicated to leading the industry in the efficient use of natural resources, minimizing impacts to the environment, and achieving our customers' environmental performance goals.

Pure Progress Through World-Class Facilities

At the core of our ability to create sustainable solutions and high-performance products that meet customer needs are our highly advanced plant and state-of-the-art laboratory. Our world-class facility operates 24/7/365 at very high efficiency with high yields and virtually no process wastewater or solid waste generation leading to environmentally friendly plant operations.

Our raw material yields are best in class. The majority of these materials are received via pipeline with essentially no emissions or transportation hazards. Air emissions at the plant are controlled with state-of-the-art catalytic converters that do not require fossil fuels for emission control. Low electrical power consumption with high heat recovery makes the site a net energy producer versus a net consumer.

Constructed in 2001 and ISO 9001 certified, our **high automation plant** is among the world's largest and most efficient triazine, formalin, and UFC (Urea Formaldehyde Concentrate) production facilities with **best-in-class yields** and **ultra-low waste and emissions.**

80%

of our raw materials are received via Foremark-owned pipeline with essentially no emissions or transportation hazards.

4x

more energy produced than consumed. High heat recovery results in net negative CO_2 impact from steam recovery.[1]

1 Carbon negative based on Scope 1 and 2 emissions.

Environment

Low Emissions for Large Production Volumes

Preserving regional air quality is essential to being a good neighbor and protecting the health of our employees and community members. While our site is one of the world's largest producers of formalin and triazine, the design of our manufacturing plants is among the best in the industry, resulting in low VOC emissions. This highly advanced facility meets strict requirements for the Houston/Galveston/Brazoria Non-Attainment Area and is classified as a minor source for all criteria pollutants.

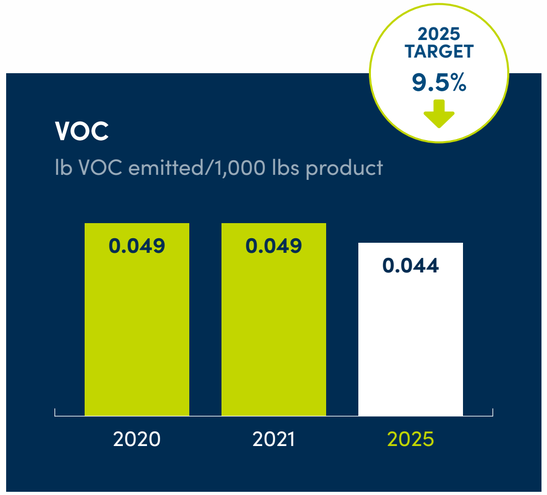
Minimizing Waste

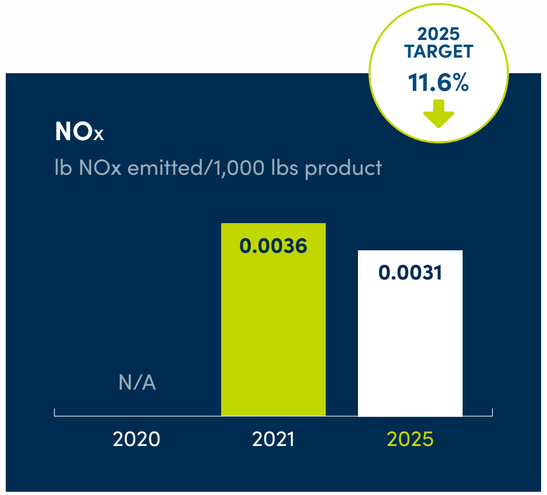
At Foremark Performance Chemicals, our processes produce virtually no process wastewater or solid waste.

Water Use and Quality

Water plays an important role in our production processes. Safe, accessible water is also essential to the communities in which we operate and the greater natural world. To preserve this vital source, we have designed our plant to have a low impact on water resources. We consume water from nearby Trinity Bay and use no groundwater or treated water from public utilities. Our efforts to conserve water are supported by nature itself. Rainwater captured in containment areas and process areas is filtered and recycled in the production process. Secondary effluent from onsite domestic wastewater treatment is used to irrigate the site, further conserving water.

We aim to be innovators and leaders and will continue to take action to support the transition to a low-carbon economy. In our operations, we are committed to promoting sustainable practices and proactively and responsibly managing our impacts to air, water, land, and biodiversity.





VOC and NOx emissions rates are best in class driven by our state-of-the art catalytic converter technology and very high raw material yield.

1 Solid waste generation verses product produced is considered best-in-class. Foremark commits to strive for incremental improvement from this low level.

Health + Safety

At Foremark Performance Chemicals, our commitment to ESG aligns with our purpose of developing vital products for society that are even better tomorrow than they are today.

Our HESQ Policy enables us to achieve this, safely and reliably. Our proven path of action safeguards and protects our employees, customers, and neighbors with safe work programs, process safety management, product safety, and preparation for emergencies.

Our HESQ Policy

All employees, contractors, and others working on Foremark Performance Chemicals' behalf are expected to take the path of highest integrity. They are encouraged to communicate any HESQ concerns to enable prompt investigation, and to understand and perform their jobs consistent with this HESQ policy. This policy is reviewed annually and approved by the Executive Leadership Team.

- Operate in an ethical, safe, secure, and environmentally responsible manner
- Comply with all applicable HE&S laws and regulations
- Minimize the environmental impact of our operations and products
- Establish meaningful HESQ performance measures and self-assessment programs to drive improvement
- Provide top quality products and services that exceed customer expectations
- Educate our employees, contractors customers, and the public on the safe use of our products
- Communicate openly about our risks, HESQ programs, and performance via transparent dialogue

Our HESQ Policy
View on ForemarkPerformance.com

Workplace Health and Safety

Our culture of protecting our people begins with workplace health and safety programs that set the tone for operating discipline, accountability, and continuous improvement. Engaging our employees in this process is critical both to their well-being as well as our success as a company. To assure and elevate safety performance, all employees are trained in safe work practices such as Lockout/Tagout, Fall Protection, and handling of hazardous materials.

We are proactive about safety and believe that planning is key to preventing incidents. As a result, we conduct risk assessments upfront before each job starts. Process Safety discipline and internal auditing of our practices are also critical pillars that support safety improvements while our Behavior-Based Safety program provides us with an invaluable tool that empowers employees to identify issues and make continual improvements in the workplace.

Health + Safety

Public Safety and Transportation Safety

As responsible corporate citizens, we work every day to build a safe and resilient company for our employees and the communities in which we operate. Relationships are vital to our right to operate. With public safety at the forefront of all we do, we actively participate in local community groups where citizens and industry neighbors can voice their opinions and provide valuable feedback to us. In our operations, we are dedicated to promoting safe practices and proactively and responsibly managing our operational impacts.

We work with customers to understand their needs, provide products for the control of H_2S in natural gas, and provide product stewardship guidelines to ensure safe and environmentally responsible use of our solutions. To assure reliable delivery of our products, we select only safe carriers and are always on call to assist with safe and secure transportation through our participation in CHEMTREC and 24/7 tracking. We are proud to be a member of The American Chemistry Council, which is working to solve some of the biggest challenges facing our society.

Employee Preparedness

Being prepared to respond to an emergency is essential for any responsible operator. To assure rapid and effective response to emergencies and protect the community, we participate in emergency planning and conduct drills with local, state, and federal agencies. Whether out in the field or in the office, we strive to learn from every drill and understand what potential incidents could occur and how we can improve our response and prevent them from happening.

COVID-19 Response

During the COVID-19 pandemic, we integrated response efforts to protect our people and successfully transitioned non-operations employees to safe and secure remote working. With guidance from OSHA and the CDC, we implemented protocols for personal protective equipment (PPE), social distancing, and close-contact work, and enhanced sanitation and cleaning procedures and measures to restrict visitor access to our plants and offices. Frequent communication with employees, customers, and suppliers provided clarity and support where possible during the uncertainties of the pandemic.

We are dedicated to promoting safe practices and proactively and responsibly managing our operational impacts.

0.0 **Recordable Injury Rate in 2021**
OSHA recordable injury rate/200,000 hrs

4 YEARS IN A ROW

Chemical Transportation Safety Pinnacle Award

Foremark Performance Chemicals has been awarded the distinguished Chemical Transportation Safety Pinnacle Award four years in a row. This prestigious award, recognized by Union Pacific, honors customers who are committed to eliminating rail car chemical releases and collaborate to safely move chemical products through the communities where we live and work.

More News + Events
Visit ForemarkPerformance.com

People + Community

Enabling Positive Change

At Foremark, we are committed to being a catalyst for positive change in the lives of our employees and the people in the communities in which we operate. We believe a strong, diverse, inclusive, and innovative work culture contributes to real social benefits while adding value to our business. We pursue initiatives that support our business efforts while encouraging the professional development of individual employees and the growth of our communities.

Leading at All Levels

We believe people are our most valuable asset and that everyone is a leader. As such, we strive to develop our employees, increase their knowledge, skills, and enable them to fully understand their role in delivering operational excellence. By having leaders at all levels, we will continue to elevate innovation and operational excellence across our organization.

In the Community

We are committed to investing in organizations that are dedicated to improving the quality of life in the communities where we work and live. We understand we prosper when society prospers. That's why community involvement, social impact, and volunteerism are ingrained in our culture. Through enduring partnerships with nonprofits, financial donations, and the efforts of our employees, we support and foster educational opportunities as well as important local community needs-based programs.

Our **Fight Against Hunger** initiative was designed to meet the significant community needs heightened by the pandemic. Aligned with our Engage to Make a Difference company value, Foremark employees gave generously to our food drive campaigns that benefited local food pantries.

We believe that a strong, diverse, inclusive, and innovative work culture contributes to making everyone feel equally involved and supported in all areas of the workplace while adding value to our business.

People + Community

Diversity, Equity, and Inclusion

Our vision is to be a leader of sustainable chemistry with the most advanced and environmentally responsible products driven by our creative and diverse employees. We believe that an employee who feels respected, empowered, and valued will be an engaged employee. To that point, we are committed to creating an inclusive environment in our workplace and to establishing equity in processes, programs, and opportunities within our organization. For us, every voice counts. We know that a diverse team operating in an inclusive culture that offers equal opportunities strengthens our decision-making and leads to innovation and enhanced value.

Our philosophy is all employees are leaders. Our development systems are designed to drive training and certification enabling employees to be successful in areas of innovation and operational excellence.

Minorities and Women as a Percentage of Workforce

	2020	2021
Minorities*	15%	23%
Women	18%	18%

* Employees that elected "declined to state" have been excluded.

Employee Engagement

As we build a talented and diverse workforce, we encourage people to be highly motivated, engaged, and resilient. A key indicator of our high employee engagement is our low voluntary turnover rate. We enhance employee engagement by building respectful and trusted relationships between managers and their direct reports, communicating company values, and setting expectations for our day-to-day business. We set goals that align with our long-term strategic objectives, provide feedback, recognize accomplishments, and leverage bonus programs to focus employee attention on incentivized behaviors.

From major decisions made in the boardroom and the interactions with our customers, to our day-to-day operations, we are committed to operating openly, honestly, and with unwavering integrity.

The Ethics that Guide Us

Each day we weigh our decisions to ensure we're upholding our ethical standards. With every action, procedure and policy, we aim to deliver on our promise of corporate responsibility and accountability. To ensure ethical behavior, our employees are required to complete annual training and/or knowledge assessments on the topics covered in our Business Code of Ethics policy. This includes subjects such as inclusiveness, business ethics, general safety, protection of our proprietary and employee personal information, financial integrity, and reporting of concerns through our 3rd party.

We also require employees, based on function, to complete training on the topics covered in our Anti-Corruption Policy and Competition Law Policy. Employees are selected for this training based on their role within the organization, to ensure that all relevant functional groups are aware of the Company's expectations and key obligations and are empowered with the information to act ethically in fulfilling their roles.

Our Code of Ethics and Business Conduct
View on ForemarkPerformance.com

Corporate + Sustainability Governance

Our governance structures and processes strive to promote accountability, transparency, and ethical behavior in support of our commitment to sustainability and corporate responsibility.

We believe good corporate governance is critical to mitigating risks, achieving strong performance, and maintaining accountability to stakeholders. As a result, we continually improve our governance and business practices and work to promote a culture of ethical behavior.

Board Governance

Our Board of Directors responsible for protecting and managing shareholders' interests in the company, the Board of Directors oversees our ethics and compliance program as well as the company's human capital management including our inclusion, diversity, and equity strategy.

Our Board of Directors is also responsible for:

- Reviewing and approving Foremark's annual operating plan as well as our sustainability targets
- Approving all capital spending, including any acquisitions or divestitures

Sustainability Management Processes

Our Sustainability Management Processes are designed to keep the organization informed regarding significant economic, environmental, and social sustainability issues that affect the company. This supports our Board of Directors and Management Team in their efforts to ensure Foremark remains at the forefront of creating sustainable chemistry as it pursues the transition to cleaner energy.

Executive Compensation

At Foremark, we provide competitive compensation that attracts, retains, and motivates highly capable executives to achieve the company's objectives. Extra compensation is based on clear performance targets for the year aligned with the annual operating plan. Each year, the Board Compensation Committee reviews management's performance to approve levels of compensation.

Code of Conduct - Corruption and Bribery

Our Code of Conduct is designed to assist everyone at Foremark Performance Chemicals, including employees and directors, in making decisions with integrity and honesty. It outlines the fundamental legal obligations of the Foremark management and employees and provides the basis for proper business conduct. Our Anti-corruption and Bribery policy is included in the Company Code of Conduct which is made public, reviewed and updated regularly. Both management and employees are required to attest annually that they have read and understood the code. Any violations of applicable laws or the Foremark Code of Conduct are not tolerated.

Our sustainability measures and efforts are regularly monitored by the Executive Management Team who meet monthly with the Board of Directors to review our sustainability targets and metrics as well as our financial results. All financial results are audited at least annually by a globally recognized independent accounting firm.

Corporate + Sustainability Governance

Cyber Security

Advances in digital technology offer significant benefits to Foremark Performance Chemicals. However, they also have the potential to introduce risks related to digital piracy or business interruption to name but a few. To counter these threats, our networks, systems, and information is managed and safeguarded by a highly skilled, professional third-party Information Technology company. As cybersecurity is critical to the safety and reliability of our operations, we actively invest in tools, processes, and regular cybersecurity awareness training for all employees to protect our business and manage risk. This training also includes areas such as phishing simulations designed to keep employees alert to the traps associated with phishing. Our strategy is designed to securely enable new business and technology initiatives while maintaining a focus on protecting our company, our customers, and our third-party vendors.

Sustainability in Supplier Management

We are committed to holding our suppliers to the highest standards of business conduct and integrity, and work together to make a positive impact in the communities where we do business. Our expectations for social, ethical, and environmental standards from our suppliers are defined in our "Code of Conduct for Suppliers". This Code of Conduct is made available to all Foremark suppliers who are expected to have read and agreed to the code in full and to act accordingly at all times.

As part of our ongoing sustainability assessments, we have determined that periodic reviews of our critical suppliers is a key attribute to driving improved sustainability. We are currently finalizing our process to score, evaluate, review, document and provide corrective actions, as needed, for our suppliers as a 2022 improvement to our processes.

Our Sustainability Team

The Foremark Sustainability Team consists of a group of cross-functional executives supported by our colleagues and partners. We thank you for your efforts.

At Foremark, we strive to be the Employer of Choice, Neighbor of Choice, and Supplier of Choice. We believe driving to sustainable manufacturing and products is key in meeting these objectives. The Sustainability Team supports our ongoing commitment to ESG leadership and leverages the Team Charter to help quantify goals, provide resources and drive effort to achieve the goals as stated in the Annual ESG Report. These goals are reviewed for alignment with each LRP (Long Range Plan) and AOP (Annual Operating Plan).

Erik Pitoniak
HESSQ

Monica Jackson
Corporate Affairs

Jon Bingham
Technical and R&D

Brian Wilson
Operations

Dana Eagar
Marketing and Business Development

Kevin Oliver
CFO

Randy Owens
CEO

If you have questions about any information contained in our report or would like to provide feedback, please contact **responsibility@foremarkperformance.com**.

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FOREMARK
Performance Chemicals
PURE PROGRESS

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