



Sustainability Report 2023

PURE PROGRESS

evolved



Company Profile

Headquartered in League City, Texas, Foremark Performance Chemicals is a technology-focused leader in sustainable chemistry, dedicated to advancing cleaner energy solutions. We specialize in high-quality natural gas sweetening applications and formalin production for chemical intermediates and controlled-release fertilizers.

Our commitment to exceeding customer expectations combines a passion for excellence with technology and world-scale production capacity. We deliver exceptional products and services to the chemical, agriculture, and specialty materials industries through sustainable manufacturing practices. With an agile and responsive approach, we prioritize continuous improvement by proactively investing in our people, processes, and systems.

Our Sustainability Team

The Foremark Sustainability Team consists of a group of cross-functional executives supported by our colleagues and partners. The Sustainability Team supports our ongoing commitment to Environmental, Social, and Governance (ESG) leadership and leverages the Team Charter to help quantify goals, provide the resources to achieve the goals, and drive effort to achieve the goals as stated in the Annual ESG Report.

We thank the Team for their efforts.

- **Brian Wilson**
Vice President of Operations
- **Erik Pitoniak**
HESSQ Manager
- **Dana Eagar**
VP Marketing and Product Management
- **Monica Jackson**
Vice President, HR & Corporate Affairs
- **Jon Bingham**
Vice President, Automation & Process Technology
- **Randy Owens**
CEO
- **Kevin Oliver**
CFO

OUR MISSION, VISION AND VALUES

To be the industry leader in innovative, high-performance products manufactured with efficient, clean, and sustainable processes. We 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.



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.



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.



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

As we navigate a rapidly changing global landscape, I am proud to share the progress we have made and highlight how Foremark Performance Chemicals is uniquely positioned to lead in sustainability. The market for natural gas sweeteners, is projected to grow materially above GDP as a result of natural gas production and increased gas souring. We are not just adapting to change, we are shaping the future of sustainable practices in our industry.

Highlighting our dedication to sustainability and strong Corporate Social Responsibility (CSR) practices, I am pleased to share that Foremark improved its sustainability rating from a Silver Medal rating to a Platinum Medal rating from EcoVadis in 2022. Foremark earned the honor of being ranked in the top one percent of the companies reviewed by EcoVadis.



This commitment aligns with the broader trend of global competitiveness, which is enhancing North America energy independence as the country increasingly engages in the energy transitions of other regions. Foremark actively supports the global push for decarbonization by facilitating the shift to natural gas, a significantly lower carbon-emitting alternative to other base load energy sources.

Helping Corporations Transform and Adapt

At Foremark, we acknowledge the growing regulatory landscape aimed at reducing greenhouse gas (GHG) emissions across all industries. In response to these challenges, the U.S. government has proposed measures to mitigate wasted gas from flaring, including increased royalties. Recent regulations, such as the EPA's Clean Air Act, underscore the urgent need to minimize pollutants released during natural gas flaring.

To that point, we are proud to be the partner of choice for corporations dedicated to achieving their ESG and decarbonization targets. Our carbon net-negative production model exemplifies our commitment to sustainability, producing four times more energy than we consume. In 2023, our natural gas sweetening products helped reduce total U.S. CO₂ equivalent emissions by over 60 million tons.

Continuous Improvements in Sustainability

Sustainability is woven into the fabric of our daily operations. Our report's theme, "Pure Progress, Evolved," encapsulates our continued commitment to achieving zero discharge of hazardous chemicals, environmental releases, and wastewater. This report outlines our core areas of sustainability, focusing on Environmental, Health + Safety, Innovation + Operational Excellence, People + Community, and Corporate + Sustainability Governance.

I would like to take this opportunity to express my heartfelt gratitude to our employees for their unwavering dedication to our sustainability efforts. Together, we are making significant strides toward a more sustainable future.

Thank you for your continued support.



Sincerely,
Randy Owens, CEO



OUR CORE AREAS OF SUSTAINABILITY



Environmental



Health + Safety



Innovation + Operational
Excellence



People + Community



Corporate + Sustainability
Governance



Our Role in Responsible Care

Certified to the American Chemistry Council's (ACC) Responsible Care Management System® (RCMS), Foremark is dedicated to enhancing its performance and improving the health and safety of employees as well as the communities in which we operate.



Innovation + Operational Excellence

Foremark's natural gas sweeteners play a crucial role in enhancing sustainability in the natural gas industry by effectively removing hydrogen sulfide (H₂S) during natural gas production. This process not only minimizes natural gas flaring but also significantly reduces GHG emissions. Our sweeteners enable customers to satisfy strict regulations on natural gas specifications before it can be transported by pipeline or consumed by end users.

Advanced Carbon-Negative Production Process

Major natural gas operators publicly pledged to eliminate routine natural gas flaring by 2030. Foremark stands out as a preferred partner for companies aiming to achieve their ESG targets, thanks to our innovative carbon net-negative production process. This highly-efficient process generates four times more energy than it consumes through steam recovery, further enhancing our sustainability credentials.

Focused Manufacturing Plant

Foremark operates a highly automated and integrated manufacturing site strategically situated along the U.S. Gulf Coast (USGC). Featuring a modular design with nine independent plants onsite, we are the sole producer located on the Houston Ship Channel and offer the ideal site for servicing the USGC and major shale basins. Alongside cutting-edge plant automation, we offer pipeline connectivity, vertical integration, and strategic proximity to both raw materials and customers. We have significant spare capacity and can expand with minimal capital investment.



Reducing the Carbon Footprint of Industry

In 2023, Foremark's products treated natural gas to eliminate venting and flaring of greenhouse gases. If not treated and thereby emitted, would result in approximately 63 million tons of carbon dioxide equivalents (CO₂-eq.) – equal to about 1% of total U.S. CO₂ emissions.



Innovation + Operational Excellence continued

Making Pure Progress

Our application lab is designed to replicate field conditions, enabling us to qualify new products for field trials and greatly enhance both success rates and development timelines. We focus on in-house technology development tailored to specific customer and market demands, allowing us to quickly qualify new solutions and expedite the overall development process. Our proactive approach includes rigorous quality control testing throughout the production process to sustain and improve our industry-leading performance and efficiency. Our best-in-class R&D team leads the development of our innovative, proprietary and patent-protected solutions. Dedicated to both development and testing, their contributions enable us to advance from product development to commercialization at an unmatched pace.

More Than 300 Unique Products

Foremark features over 300 unique products, showcasing the industry's largest and most advanced proprietary technology portfolio. Each product is developed on-demand to meet specific customer requirements. We prioritize the development of high-purity products, leveraging our unique backward integration and proprietary patented process technology, allowing us to rapidly produce new offerings without incurring additional fixed costs.

SUPPORTING THE TRANSITION TO CLEAN ENERGY

PureMark®

Our innovative line of H₂S scavengers used for gas sweetening, contributes to the increase of natural gas production and the reduction of natural gas flaring, improving air quality and fighting climate change.

Pur-EST®

This patented technology targets removal of H₂S in liquid hydrocarbon streams. The products will quickly and safely reduce H₂S in multiphase flowlines, separators, and storage tanks protecting the people as well as the production equipment.

ScavGen®

This patented technology exhibits exceptional reaction kinetics and increased capacity for sulfur loading over standard H₂S scavengers, without forming problematic solids.



Learn more about our products
Visit ForemarkPerformance.com



Health + Safety

At Foremark, we prioritize our employees' well-being and are dedicated to their continued health and safety. We have implemented comprehensive safe work practices, ensuring that all employees receive training in essential areas to operate safely. More importantly, we take a proactive approach to safety, emphasizing the importance of planning to prevent incidents. To that point, we conduct risk assessments prior to the start of each job. In addition to our workplace safety programs, our Behavior-Based Safety initiative is a valuable resource that empowers employees to participate in ongoing improvements in workplace safety.

**0 LOST TIME INCIDENTS
IN 6 YEARS**

Public Safety and Transportation Safety

We actively engage with local community groups, offering a platform for citizens and industry neighbors to share their opinions and feedback. Our commitment to promoting sustainable practices underpins our operations, and we prioritize responsibly managing our environmental impact. To ensure the reliable delivery of our products, we select only safe carriers and provide ongoing support for secure transportation. We have strategic partnerships ensuring with 24/7 HazMat emergency response coordination, along with 24/7 tracking system, further enhancing the safety and reliability of our logistics.

Employee Preparedness

To ensure a swift and effective response while safeguarding the community, we actively engage in emergency planning and conduct drills with local, state, and federal agencies. Whether in the field or the office, we aim to learn from each drill, identifying potential incidents and exploring ways to enhance our response and prevent them from occurring.



Our HESQ Policy

View on ForemarkPerformance.com

Our HESQ Policy

- Operate in an ethical, safe, secure, and environmentally responsible manner
- Comply with all applicable Health, Environmental and Safety (HE&S) laws and regulations
- Minimize the environmental impact of our operations and products
- Establish meaningful Health, Environmental, Safety and Quality (HESQ) performance measures and self-assessment programs to drive improvement
- Commit to 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



Chemical Transportation Safety Pinnacle Award

Foremark's dedication to safety is highlighted by our achievement of the Chemical Transportation Safety Pinnacle Award for six consecutive years.



Environment

Throughout our operations, we set the standard for efficient natural resource use in our industry. Our highly automated plant is one of the largest and most efficient facilities worldwide for producing natural gas sweeteners, formalin, and UFC (Urea Formaldehyde Concentrate). We achieve best-in-class yields while maintaining ultra-low waste and emissions. Our facility adheres to rigorous standards for the regions Non-Attainment Area and is classified as a minor source for all criteria pollutants.

A Facility Designed for Sustainability

We employ multiple heat exchangers to recover waste heat, which is then transformed into useful steam that would have otherwise required energy to produce. We manage air emissions through advanced catalytic converters that do not depend on fossil fuels for emission control. Additionally, with low electrical power consumption and high heat recovery, our facility operates as a net energy producer rather than a net consumer.

Better Wastewater & Solid Waste Solutions

Wastewater from specific traditional sweeteners has a higher pH level, necessitating separate storage and incurring increased disposal costs. In contrast, the byproduct from Foremark's proprietary and patented sweeteners maintains a safe pH level. Our solutions not only lower water disposal expenses but also minimize environmental impacts.

At Foremark Performance Chemicals, the production of formalin and sweetener products is designed not to produce a waste stream. For each ten thousand pounds of product produced, we aim to produce less than one pound of hazardous waste. Our approach produces no solid byproducts, eliminating safety risks associated with solid formation and our highly efficient facility generates virtually no process wastewater or solid waste.

4x

**More Energy Produced
than Consumed**

Our high heat recovery reduces CO₂ emissions by efficiently reusing steam, resulting in a net negative CO₂ emissions¹.

¹ Carbon negative based on Scope 1 and 2 emissions.

74%

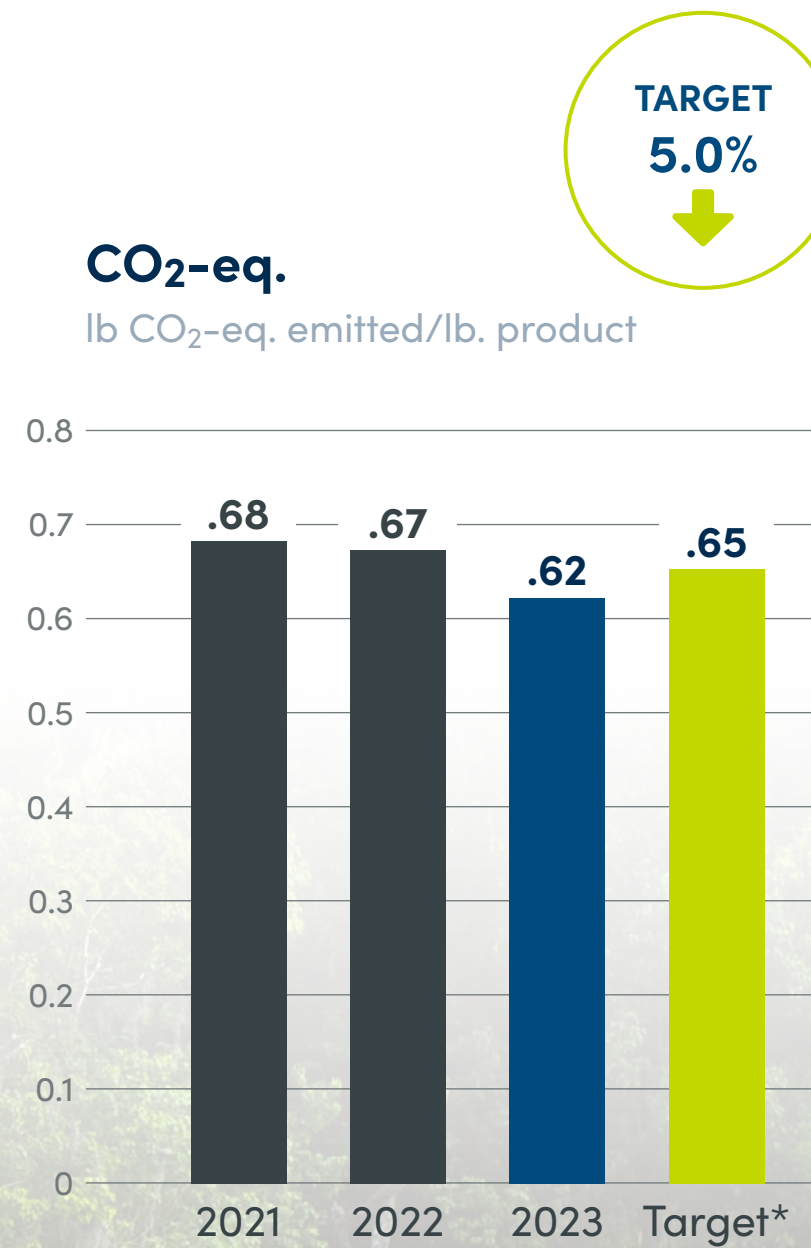
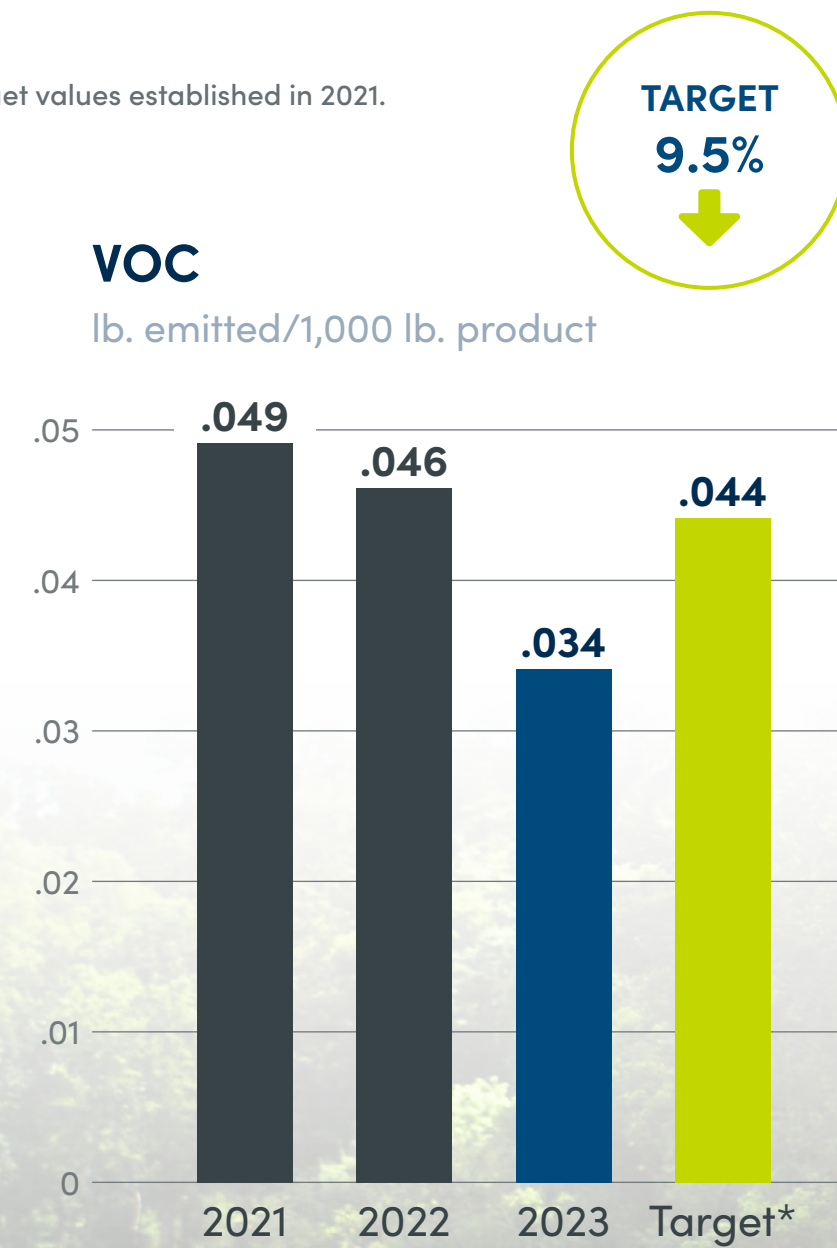
**Raw Materials Received
via Pipeline**

A significant majority of our raw materials are received via the Foremark-owned pipeline with essentially no transportation emissions and very low transportation hazards.



Environment continued

* Target values established in 2021.



EXCEEDING
TARGETS
AHEAD OF
PLAN



By actively reducing emissions and waste, we have not only exceeded the environmental targets established in 2021 but have also set our company on a path to successfully meet its goals in the future.



People + Community

At Foremark, we have created a strong, diverse, inclusive, and innovative work culture. Our vision is to be a leader in sustainable chemistry by developing advanced, environmentally responsible products, fueled by the creativity of our workforce. We believe that when employees feel respected, acknowledged, and valued, they become engaged contributors. That's why we are dedicated to ensuring equity in our processes, programs, and opportunities.

Evolving Expertise with Our Technical Level Progression Program

We promote the professional growth of our employees through our Technician Level Progression program. This initiative supports training, certification, and compensation, all aligned with our objectives of innovation and operational excellence.

Working By Our Code of Ethics

We owe it to our customers and to each other to always uphold the highest standards of ethics and business conduct. To ensure ethical behavior, our employees must complete annual training and assessments on our Business Code of Ethics, covering inclusiveness, business ethics, safety, protection of proprietary and personal information, financial integrity, and reporting concerns through a third party.

By exemplifying the principles outlined in our Business Code of Conduct policy, we promote a winning culture where suppliers are honored to have our business; and where customers trust us to deliver on our commitments.



Fight Against Hunger

Our "Fight Against Hunger" initiative addresses critical community food needs. In line with our Engage to Make a Difference company value, Foremark employees generously support food drive campaigns that benefit local food pantries.

Minorities and Women as a Percentage of Workforce in 2023

20%
Minorities*

15%
Women

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

Helping to Build Better Communities

We are dedicated to enhancing the quality of life in the communities where we operate. Our commitment is reflected in our strong partnerships with local nonprofits, where we collaborate on initiatives that address pressing community needs. Our employees actively engage in volunteer efforts, contributing their time and skills to various community projects. Whether it's organizing events, participating in food drives, or supporting local youth, our people are passionate about making a positive impact. By combining our resources and the dedication of our employees, we strive to create lasting change and support the well-being of our neighbors.





People + Community continued

Volunteering to Protect Nature

Armand Bayou Nature Center

This volunteer opportunity focused on construction efforts to support habitat restoration at the Armand Bayou Nature Conservancy, a private nonprofit organization dedicated to managing and preserving 2,500 acres of vital coastal habitat. Our team participated in this initiative, specifically working on the construction of a second-level attic floor in the greenhouse. This space will be used to nurture native plants essential for habitat restoration and the planting of indigenous species. The Armand Bayou Nature Center serves as a sanctuary for over 370 animal species and plays a crucial role in preserving or restoring more than 2,500

acres of Gulf Coast habitat. This project will support protection of the last remaining unaltered bayou in the Houston area and is critical not only for protecting biodiversity but also for flood mitigation and improving water quality.



Memorial Park Conservancy

This initiative focuses on habitat restoration and the planting of native species in partnership with the Memorial Park Conservancy, a private nonprofit organization that manages 1,100 of the park's total 1,500 acres. This project is part of the preparations for the highly anticipated grand opening of the Land Bridge and Prairie Project, celebrated as the “Biggest Picnic in Texas.” Our volunteer efforts center on restoring habitats and planting 1,500 native plants. Supporting native species is essential for fostering a healthy forest ecosystem, which provides habitats for wildlife, offers shade to cool nearby areas, and helps sequester carbon dioxide from the atmosphere.



We’re impacting our local community by design, dedicating our time and resources to enhance the lives of those in the neighborhoods in which we work, live, and play.

Volunteering to Support Education in the Community

“Fill the Bus” Event

Our team was delighted to collaborate once again with the La Porte Community Partners for the annual school supplies drive, aimed at supporting children returning to the La Porte Independent School District (LPISD) for the 2023–2024 school year. The “Fill the Bus” event ensures that all school-aged children have the necessary supplies for a successful academic year. In addition to volunteering our time for this back-to-school event, we also made a generous donation to support this important cause!



Volunteering to Make Life Better for Everyone

From our Fight Against Hunger initiative to supporting schools in the community, helping to preserve nature plus more, wherever the community needs us, we are there.



Sustainability Governance

Our governance structures and processes are designed to foster accountability, transparency, and ethical conduct. We are committed to continuously improving our governance and business practices while actively promoting a culture of integrity and ethical behavior throughout the organization.

Board Governance

Our Board of Directors is tasked with safeguarding and managing shareholders' interests. They oversee our ethics and compliance program, along with the company's human capital management, which includes our inclusion, diversity, and equity strategy. The Management Team regularly monitors sustainability measures and efforts, meeting monthly with the Board to review sustainability targets, metrics, and financial results. All of Foremark's financial results are audited at least annually by a nationally recognized independent accounting firm.

Sustainability Management Processes

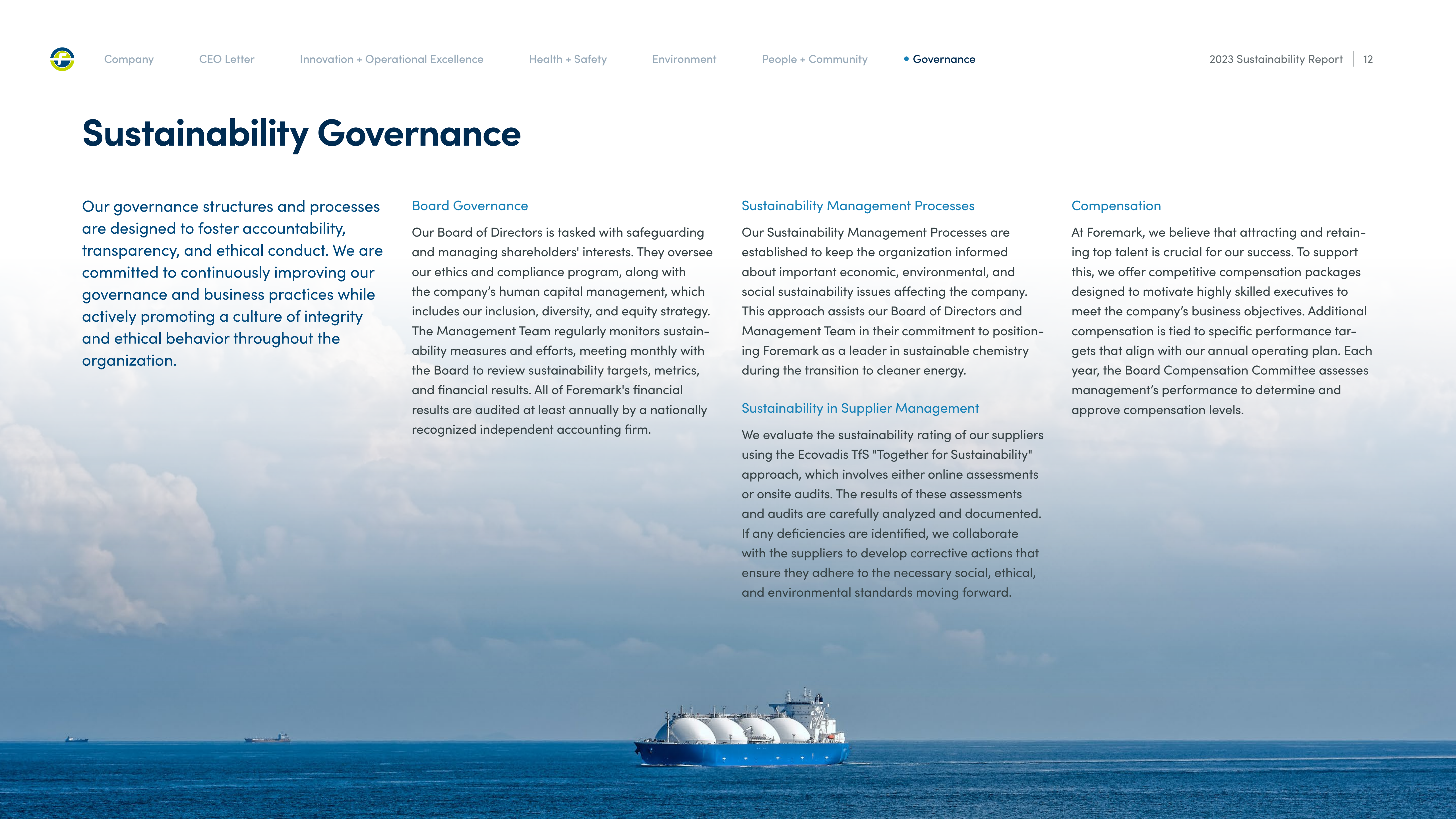
Our Sustainability Management Processes are established to keep the organization informed about important economic, environmental, and social sustainability issues affecting the company. This approach assists our Board of Directors and Management Team in their commitment to positioning Foremark as a leader in sustainable chemistry during the transition to cleaner energy.

Sustainability in Supplier Management

We evaluate the sustainability rating of our suppliers using the Ecovadis TfS "Together for Sustainability" approach, which involves either online assessments or onsite audits. The results of these assessments and audits are carefully analyzed and documented. If any deficiencies are identified, we collaborate with the suppliers to develop corrective actions that ensure they adhere to the necessary social, ethical, and environmental standards moving forward.

Compensation

At Foremark, we believe that attracting and retaining top talent is crucial for our success. To support this, we offer competitive compensation packages designed to motivate highly skilled executives to meet the company's business objectives. Additional compensation is tied to specific performance targets that align with our annual operating plan. Each year, the Board Compensation Committee assesses management's performance to determine and approve compensation levels.





Sustainability Governance continued

Code of Conduct – Corruption and Bribery

Our Code of Conduct serves as a guide for everyone at Foremark Performance Chemicals, including employees and directors, to make decisions with integrity and honesty. It outlines the essential legal obligations of our management and staff, establishing a framework for appropriate business conduct. Our Anti-Corruption and Bribery policy is included in the Company Code of Conduct, which is publicly available and regularly reviewed and updated. Both management and employees are required to attest annually that they have read and understood the code. We have a zero-tolerance policy for any violations of applicable laws or the Foremark Code of Conduct.

Cyber Security

The rapid evolution of digital technology presents Foremark Performance Chemicals with substantial opportunities, but it also introduces risks such as digital piracy and business interruptions. To mitigate these threats, we rely on a highly skilled third-party Information Technology firm to manage and safeguard our networks, systems, and information. Given the critical importance of cybersecurity to our operations, we actively invest in tools, processes, and ongoing cybersecurity awareness training for all employees. Our strategy aims to securely support new business and technology initiatives while prioritizing the protection of our company, customers, and third-party vendors.



Together for Sustainability

Based on the UN Global Compact and Responsible Care® principles, Together for Sustainability (TfS) delivers global standards for environmental, social, and governance performance of chemical supply chains. This global initiative of 54 chemical companies provides valuable tools such as TfS Assessments and TfS Audits to assess and improve the sustainable performance of chemical companies and their suppliers.





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

Foremark Performance Chemicals

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