



2024 SUSTAINABILITY REPORT

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Epsilyte remains a leader in insulative polymers. Our innovative products and top-tier technical services enhance the quality of life for our customers, employees and communities.

In 2024, we continued our commitment to sustainable growth and creating solutions that benefit both people and the world.





Glenn Wredenhagen, President



Welcome to our 2024 Sustainability Report. 2024 has brought many new challenges to Epsilyte, and at the same time it has provided us with the opportunity to improve and consolidate our strategies to positively impact our communities, employees, and the environment

At Epsilyte, safety always comes first. We are committed to sending every team member home safely every day. We take responsibility for the lifecycle of our products, handling them with care from production through to their end of life.

This year, we have concentrated our efforts on improving operational efficiencies. Optimizing production required carefully adjusting reactor operations to respond to fluctuating demand. With efficiency comes a trade-off in reliability; an invaluable learning opportunity that has helped our team adapt to evolving conditions.

Our sales team took up the challenges and found innovative ways to help our customers differentiate in a competitive marketplace. We have scaled our service offerings to provide more technical support so the value our clients get from us is unmatched. New demand for recycled content products, and the resurgence of the helmet market have allowed us to show just how adaptive we can be toward emerging trends in the market.

Our dedication to enhancing sustainability is stronger than ever as we look to the future. We see every challenge as an opportunity for growth, remaining focused on developing products and practices that meet market demands and positively impact our environment and community.

Thanks for believing in our mission.

Glenn Wredenhagen
President



Jon Timbers, Chief Sustainability Officer



While I am passionate about sustainability, I have often been skeptical of the corporate ESG movement. As a chemical engineer specializing in the plastics industry, I see sustainability as a driver of meaningful innovation, not just a marketing tool. Instead of innovating ways to make our products cheaper, faster, or stronger, we look for innovations that ensure our products have less impact on the planet.

Unfortunately, the corporate ESG movement has become more about branding than genuine progress. It aims to ease consumer guilt about consumption rather than fundamentally changing products or processes. Companies have learned that messaging is easier and more profitable than real innovation, leading to a system where sustainability is often performative rather than substantive.

I've worked in sustainability long enough to understand why this shift happened. True innovation is difficult, expensive, and time-consuming. As Thomas Edison said, "Genius is 1% inspiration and 99% perspiration." Making real change requires hard work, persistence, and investment. However, some businesses realized that focusing on ESG marketing was a quicker, cheaper way to appear sustainable without tackling the real challenges. Instead of committing to transformation, they leaned into branding. And that's why I've never embraced it.

So, in our 2024 Sustainability Report, I'm pleased to share that Epsilyte continues making steady progress toward real innovations that reduce our products' environmental impact. However, the market adoption is slower than we would like. Despite this challenge, we remain committed to pushing forward. As Epsilyte's Chief Sustainability Officer, my focus is on prioritizing innovation over marketing—ensuring meaningful change, not just messaging.

Jon Timbers
Chief Sustainability Officer

2024 Highlights



#1 LARGEST
Global Producer of
Biodegradable* EPS

#2 LARGEST
Producer of EPS in
North America



>82%
PORTFOLIO
Enhances
Life &
Sustainability



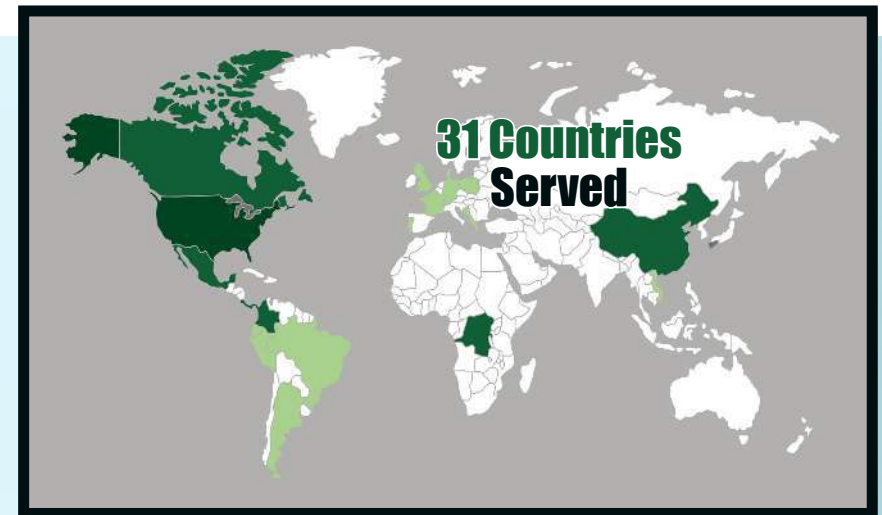
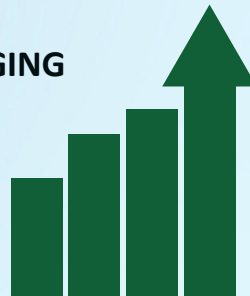
>1.2 MM LBS.
POST-CONSUMER
RECYCLED (PCR)
CONTENT

TOP SELLERS:

- ★ BIODEGRADABLE CUP GRADE EPS
- ★ MODIFIED EPS FOR CONSTRUCTION & INFRASTRUCTURE
- ★ BIODEGRADABLE EPS FOR PACKAGING APPLICATIONS

10% CUSTOMER GROWTH

***since 2023**



*EVRgreen® EPS biodegrades 94% over four years, compared to cellulose, using the ASTM D5511 test that simulates wetter and biologically active landfills, which do not exist in all parts of the U.S. The stated rate and extent of degradation do not mean that EVRgreen will continue to degrade. No claim is deemed to be made in any state or locality that prohibits the making of biodegradability claims on this or similar products.





Sustainability Governance

Sustainability governance is anchored in Epsilyte's commitment to achieving business prosperity while making a substantial, positive impact on the environment and in society. These goals are integrated into every level of our Corporate Strategy. This ensures sustainability is not merely a bonus feature but a core driver of our business decisions.

Leadership & Accountability

Epsilyte holds itself to the highest ethical standard, going beyond legal requirements to protect our employees, communities, and the environment.

Our Board of Directors includes members from Balmoral Funds and a dedicated ESG Advisor. The Board actively ensures Epsilyte integrates sustainable practices throughout our organization. This framework positions us as a leading example of sustainability and responsible growth.

Commitment to Ethical Behavior

Epsilyte follows a Code of Business Conduct and Ethics that defines our expectations for responsible and transparent business operations. This detailed Code also ensures that all employees are adequately trained on all organizational policies and procedures, which include our Supplier Code of Conduct and our commitment to Diversity and Inclusion. Open dialogue on ethics is encouraged and supported without fear of retaliation. Additionally, we address any compliance or legal concerns with honesty and fairness in all business operations.

Product Stewardship

Epsilyte invests in our role as product stewards. We recognize that sustainability and responsibility are continuous journeys. As we expand our stewardship efforts, we are committed to integrating safety, quality, and environmental responsibility into every product lifecycle stage.

Our Product Stewardship program is led by Sarah Brandenburg, whose passion and expertise drive our mission forward. Having a dedicated product stewardship lead ensures that environmental responsibility, regulatory compliance, and innovation are at the top of the entire lifecycle of our products.

Through our growing stewardship program, we develop solutions that empower our customers and contribute to meaningful change. Epsilyte's innovations, such as EVRgreen®, POLYSOURCE®, and our certified post-consumer recycled materials, reflect our commitment to energy conservation, renewable energy, and environmental progress.



"Expanding our focus on product stewardship benefits not only our product safety, but the services and relationships we provide to our customers. I love having a direct impact on how to safely provide our products to the market, and continue to develop the best controls in place to ensure we are 100% compliant with regulations. Our goal with Epsilyte has always been safety, and building the product stewardship role emphasizes our continual focus on safety and sustainability. We don't see it as just our responsibility, but as our mindset."

Sarah Brandenburg, Product Stewardship & Sustainability Engineer

Product Stewardship Continued

Effective Product Stewardship Means Designing with End-of-Life in Mind



Epsilyte's commitment to responsible manufacturing is exhibited through our certifications:

- **SCS Global Certification:** Recognizes our use of minimum 50% certified post-consumer recycled content
- **Underwriters Laboratories (UL) and CAN/ULC Standards:** Rigorous testing and compliance for safety, performance, and quality
- **FM Approvals:** Certification for Class 1 Insulated Steel Deck Roofs, ensuring reliability and safety in building applications
- **Environmental Compliance:** Products free from harmful substances such as CFCs, HCFCs, PFAS, and other restricted chemicals



Carbon Footprint

In 2024, Epsilyte significantly reduced our carbon footprint, with notable improvements in employee commuting, upstream transportation and distribution, and capital goods.

A key factor was the reduction in emissions from employee commuting. With more employees based locally in Peru, Illinois, we've seen a decrease in long-distance travel, resulting in lower overall emissions.

Our upstream transportation and distribution emissions decreased. We attribute that decrease to our strategic simplification of our supply chain. By sourcing from more local raw material suppliers, we've reduced transport miles and centralized our sourcing, positively impacting our emissions profile.

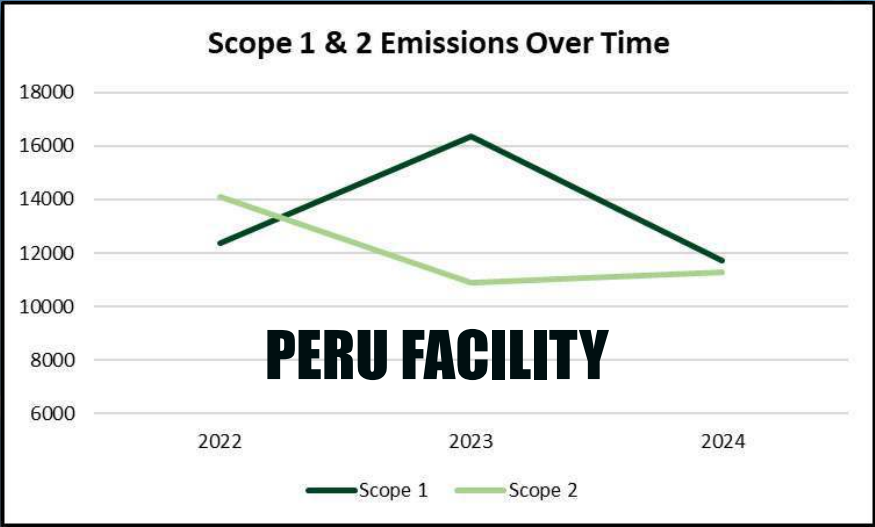
Lastly, capital goods spending was significantly lower in 2024 compared to 2021. In 2021, we invested heavily in maintenance and expansion projects that required substantial infrastructure and equipment upgrades. With those major renovations now complete, ongoing emissions are lower, much like living in a newly renovated house—where the most significant changes have already been made, leading to a more stable impact in the future.

Scope 1 & 2 Total Emissions

44,137 metric tons CO₂e



This chart reflects Scope 1 and 2 emissions data for Epsilyte's Peru facility only. Emissions data for our other two sites were not calculated for this period. Beginning in 2025, we will report emissions for all three facilities, allowing for a full year-over-year comparison between 2024 and 2025.



Piqua: 5,064



Montreal: 11,012



Peru: 28,061





PCR IN HELMET PRODUCTION

Global Warming Potential (GWP) is reduced by 46% when producing material with a 50/50 blend of post-consumer recycled EPS and regular EPS. GWP measures how much heat a greenhouse gas traps in the atmosphere compared to carbon dioxide.

46%
DECREASE
IN GWP



Life Cycle Assessment

In 2024, Epsilyte partnered with the WISDOM Institute at the University of California, Irvine, for an independent life cycle assessment (LCA) evaluating post-consumer recycled (PCR) content in bicycle helmet production. The WISDOM (Workforce, Innovation, and Sustainability Driven by Optimized Materials) Institute applies rigorous scientific methodologies to assess the environmental and economic performance of materials across their lifecycle, reinforcing the critical role of recycling in sustainability.

Conducted with Trek Bicycle, a leader in circular product design, the assessment compared 100% virgin general-purpose polystyrene (GPPS) to a 50/50 blend of GPPS and recycled expanded polystyrene (r-EPS). The findings confirm that incorporating r-EPS significantly lowers greenhouse gas emissions, energy use, and resource depletion.

While non-foam helmet components like polycarbonate and metals remain major impact drivers, r-EPS demonstrated clear sustainability benefits across all measured categories. The WISDOM team assessed six key environmental indicators: global warming potential, freshwater ecotoxicity, mineral resource scarcity, fine particulate matter formation, human carcinogenic toxicity, and water consumption. Across all areas, helmets incorporating r-EPS had lower impacts than their virgin GPPS counterparts.

This LCA highlights Epsilyte's commitment to circular solutions and the environmental benefits of using PCR content.





EHS: A Unified Approach to Sustainability

Environmental, Health & Safety (EHS) are not just regulatory requirements for Epsilyte, they are foundational pillars of our mission to protect people, communities, and the planet. The environmental aspect of EHS plays a crucial role in shaping a safer and more compliant workplace. By preserving the environment by preventing contamination of our air, water, and land, we safeguard not only the world but also the health and well-being of our employees and community. Environmental stewardship is the state of ensuring health and safety, which creates a domino effect for everyone's benefit.

Epsilyte is proactive in addressing environmental hazards in our EHS systems by concentrating on three main areas: land, air, and water. Our careful waste identification and disposal procedures, compliance with Title V Air Permit regulations, and updated wastewater pretreatment systems help to better align our operations with environmental best practices. These measures are not just about compliance but about creating a legacy of sustainability that supports long-term safety and operational excellence.



Epsilyte is dedicated to sustainable operations and setting benchmarks for environmental responsibility within our industry.

"When people ask me how environmental relates to health and safety, I always say, 'Think of environmental as a precursor to health and safety. By protecting the air that we breathe, the water that we drink, and the land that we rely on, we are building a healthier and safer world for everyone.' It's doing the right thing today in order to build a better tomorrow."

Jane Bromenschenkel, Environmental Engineer



Recordable Incident Rate (RIR) By Location

Epsilyte experienced an increase in our RIR in 2024 compared to 2023. We have responded proactively by assessing contributing factors, strengthening our safety training programs, and continuing to implement preventative measures. Epsilyte and our employees remain committed to reducing incidents and ensuring the wellbeing of our workforce. RIR includes both employee and contractor injuries.

Operating Facility	2024 RIR	2023 RIR
Peru, Illinois	0.97	0.00
Piqua, Ohio	1.68	1.67
Montreal, Canada	2.14	0.00
The Woodlands, Texas (HQ)	0.00	0.00
Epsilyte-wide	1.45	0.37

2024 Key EHS Milestones

Our commitment to safety continues to drive meaningful progress across our facilities. In Piqua, Ohio, achieving one full year without a recordable injury for the first time under Epsilyte is a significant milestone in our workplace safety excellence. Piqua further solidified our commitment by completing a full process safety management (PSM) audit in 2024.

In Montreal, Epsilyte dug deep into a 2023 reactor release incident which led us to implement several new safety initiatives to ensure stronger incident preventative measures.

Our employee engagement in these safety programs reached unprecedented levels in 2024 which continues to foster a company culture of safety as the number one priority.



Employee Benefits

Sustainability means more than protecting natural resources and managing climate change; it's about people. At Epsilyte, we are committed to strengthening communities, improving quality of life, and providing hope for a brighter future.

We take a three-pronged approach to supporting our employees and their families—focusing on physical, mental, and financial well-being. Our comprehensive benefits package is available within 30 days of hire and includes health coverage, disability, life insurance, family sick leave, paid parental leave, and bereavement leave. Employees also have access to our Employee Assistance Program (EAP) which offers confidential counseling resources for personal and professional challenges.

Epsilyte also invests in our employees' financial security. Full-time employees are eligible for our Annual Performance Award Cash Incentive and can participate in U.S. 401(k) or Canadian RRSP retirement plans, with a minimum 5% annual profit-sharing contribution.

Employee Retention Rate

Epsilyte set an ambitious goal of a 96% employee retention rate for 2024. Although we did not reach this target, coming in at a 91% retention rate, the journey has provided us with valuable insights and opportunities for improvement.

Throughout 2024 we learned significant lessons about what it means to foster a supportive and engaging workplace. We are committed to implementing positive changes that will enhance our employees' experience, ensuring that it remains a place where great people work.

As we advance, we will focus on understanding our employees' needs and strengthening our workplace culture, with the aim of supporting our team in career development. We genuinely want every employee to feel valued and excited about their future at Epsilyte.



Benefit Spotlight: Employee Assistance Program (EAP)

Epsilyte's Employee Assistance Program (EAP) offers confidential counseling resources for personal and professional challenges.

We recognize that success is not only about hard work, but about wellbeing. EAP is provided through LifeWorks to support our employees in every aspect of work, life and mental health.

EAP provides expert guidance and compassion, offering up to five confidential consultations per issue, per year, for our employees and their household. These experts are available 24/7.

The mental health of our employees matters, and prioritizing it is not just a benefit, but it is a part of who Epsilyte is. We take care of our people because when they are at their best, we all succeed together.

"I was struggling with an unexpected bout of anxiety that affected my home life and work performance. My supervisor recommended that I call the company's confidential EAP hotline. I called and spoke to a caring and compassionate counselor who referred me to a licensed clinical counselor. After five free video consultations, I am in a much better place and have arranged a long-term care plan that is covered under my health insurance. I appreciate that my supervisor and company care enough about my wellbeing inside and outside work to provide this valuable support."

Anonymous Employee



Community Engagement

In 2024, Epsilyte continued strengthening its community partner role through hands-on environmental and social initiatives. We started with an Earth Day Cleanup, near Peru, Illinois, organized by the Perfectly Flawed Foundation. This partnership was a build-up on our support for the Clean Up Champions in 2023, which built on our previous support for the Clean Up Champions program. Epsilyte's presence and participation demonstrated our ongoing dedication to improving environmental conditions and community well-being.

Education

Epsilyte invests in the future by supporting education at every level, from high school classrooms to college campuses. In 2024, we continued to inspire the next generation of scientists, engineers, and sustainability leaders.

We engaged with over 200 students during a local career fair in Peru, Illinois, providing insight into careers in manufacturing and sustainable materials. We also hosted plant tours to give high school students a behind-the-scenes look at our operations, connecting classroom learning to real-world applications.

Additionally, through our ongoing partnership with Illinois Valley Community College (IVCC), we awarded two \$1,000 Epsilyte Uplifting Scholarships to Ashley Rohr and Grey Thompson, both aspiring engineers. These scholarships reflect our commitment to promoting STEM education and workforce development in our communities.

Epsilyte also supports education through our partnership with the Illinois Chemical Education Foundation (ICEF). In 2024, we awarded the third annual \$1,000 Epsilyte Scholarship through ICEF to Aiden Lindsey. This scholarship is part of a five-year commitment we made to support students pursuing careers in chemistry and related fields.



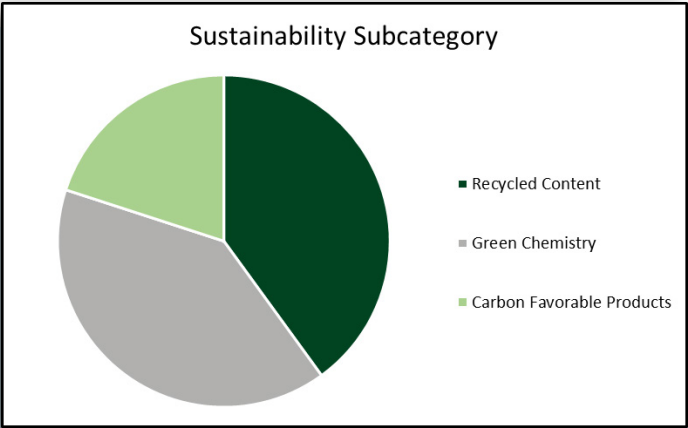
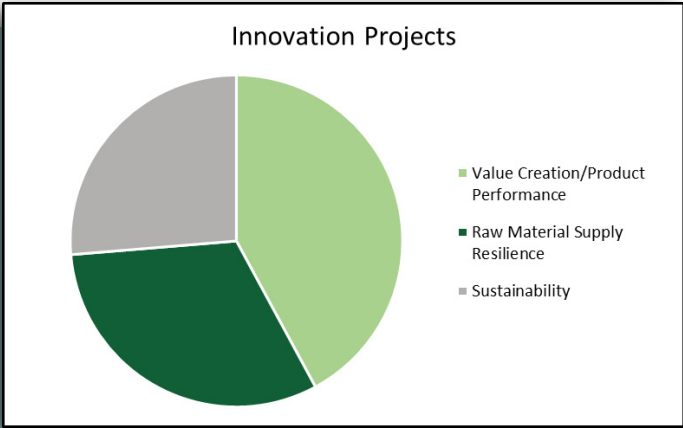


Innovation

**17 R&D
SAMPLES
30% LED TO
NEW SALES**

Epsilyte is committed to empowering our customers on their sustainability journey. By leveraging cutting-edge research and development (R&D), we continually push the boundaries of sustainable practices. From innovative solutions like DuraLyte® to technical support that advances PCR content usage in the market, we are reshaping the future of sustainability.

Our technical team plays a role in promoting sustainable practices. In 2024 alone, we shipped 17 different customers developmental product, with 30% of these samples leading to new sales. By providing samples and expert guidance, we help our customers achieve their sustainability goals efficiently and effectively.



**26% SUSTAINABILITY
FOCUSED PROJECTS**

Innovation is central to our sustainability strategy. In 2024, 26% of our innovation projects focused on environmental sustainability. While slightly below 2023’s 30%, this year’s efforts emphasized high-impact, long-term improvements.

A standout example is installing our second FIMIC melt filtration system, expanding our capacity to recycle post-consumer materials and reduce waste. This investment strengthens our circularity goals and reduces reliance on virgin inputs.

Product Spotlight: DuraLyte™

DuraLyte®, a graphite modified EPS, offers superior R-value and long-term thermal resistance for building and construction. Ideal for roofing, walls, floors, and more, it ensures energy efficiency and cost savings over time.

Unlike other materials, DuraLyte is engineered to retain its insulation properties for 50 years or more. This minimizes the need for replacements and reduces construction waste, aligning with Epsilyte's commitment to sustainable building practices.

- **Exceptional Insulation**
- **Versatile Applications**
- **Reduced Environmental Impact**

R-VALUE
25%
GREATER THAN
TRADITIONAL EPS



**ENERGY
IN ACTION**

By utilizing DuraLyte insulation, homeowners will experience energy savings. The product's high R-value reduced heating and cooling needs, may directly lower energy consumption and greenhouse gas emissions. As a result, these homes will achieve excellent energy performance ratings, supporting broader climate action goals.

Choose Duralyte for reliable, efficient insulation that supports both performance and sustainability. Made in America.

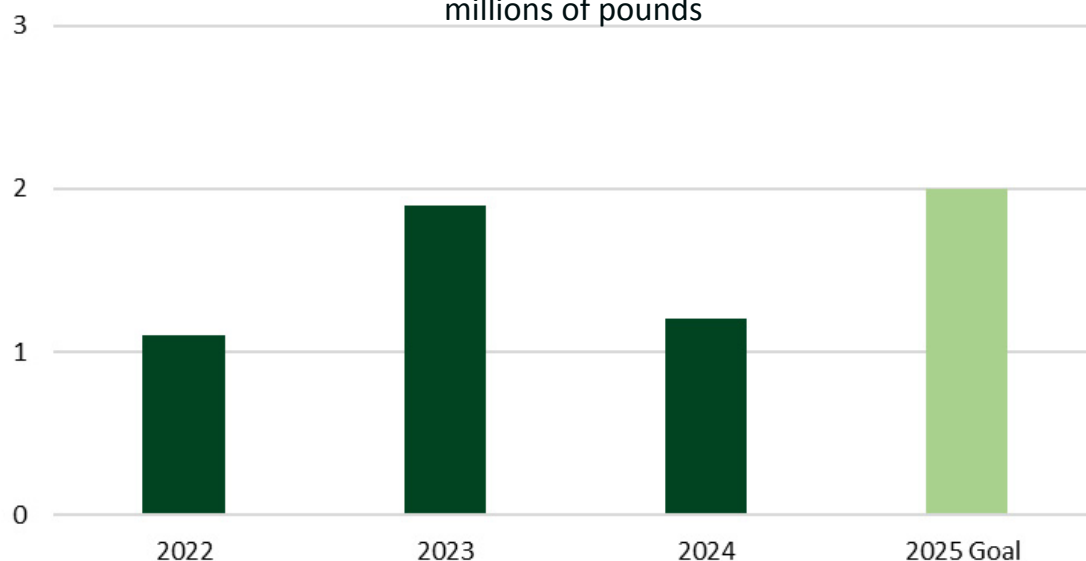


Recycling



Post-Consumer Recycled EPS by Year

millions of pounds

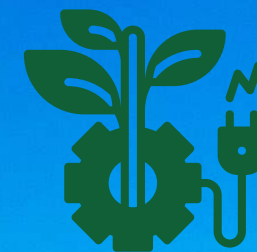


In 2024, Epsilyte recycled **1,240,000 pounds** of post-consumer recycled (PCR) material, advancing our mission to close the loop on polystyrene use. This material, collected after consumer use and diverted from landfills, was transformed into high-performance applications such as insulation, protective packaging, and even helmet production.



To put it in perspective, that's equivalent to the weight of approximately **4.3 football fields** of synthetic turf.

Our continued investment in mechanical recycling technologies, including the addition of a second FIMIC melt filtration system, is expanding our capabilities and supporting a more circular plastics economy where valuable materials are reused, not discarded.



Partnership Spotlight: Atlas Molded Products

Epsilyte partners with Atlas Molded Products to deliver sustainable solutions that protect products and the planet. Atlas, a leading provider of molded packaging, uses Epsilyte's certified 50% PCR EPS to produce durable, lightweight Duratherm® wine shippers that minimize environmental impact without compromising performance.

Crafted with certified recycled content and designed for recyclability, these shippers offer exceptional insulation and protection, helping ensure that premium wines arrive safely, even in extreme weather conditions. By choosing Epsilyte's material, Atlas keeps thousands of pounds of PCR EPS in circulation, supporting a more circular plastics economy.

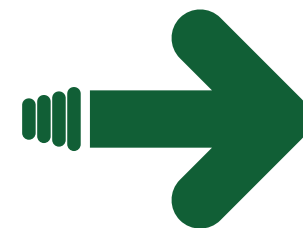
Did you know? One Duratherm® wine shipper can protect up to 12 bottles from drops and temperature swings—talk about a strong (and chill) wine hug!



"Together, we're proving that smart design and responsible materials can go hand-in-hand, delivering sustainable packaging solutions that meet the needs of today's conscientious consumers."

Todd Bergstrom, Atlas Molded Products





Looking Forward in 2025

As we move into 2025, Epsilyte is accelerating our commitment to circularity and innovation through the continued growth of our biodegradable cup bead business. This product line has become a key platform for delivering sustainable, high-performance solutions that meet both consumer expectations and environmental goals.

With the rising demand for biodegradable packaging, Epsilyte's cup bead business continues to expand as a driver of innovation and impact. In 2024, we saw a significant increase in volume, driven by the widespread adoption of biodegradable foam cups across North America. EVRgreen®, our biodegradable* material, enables this transition without compromising performance.

Today, all of our cup bead volume supports biodegradable end-use products. In 2025, we remain focused on scaling production and enhancing innovation to support partners in achieving their sustainability goals.

Our priorities moving forward:

- Expand biodegradable cup bead production
- Advance innovation through EVRgreen
- Strengthen partnerships to drive sustainability



*EVRgreen® EPS biodegrades 94% over four years, compared to cellulose, using the ASTM D5511 test that simulates wetter and biologically active landfills, which do not exist in all parts of the U.S. The stated rate and extent of degradation do not mean that EVRgreen will continue to degrade. No claim is deemed to be made in any state or locality that prohibits the making of biodegradability claims on this or similar products.

