



2021 Sustainability Report

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1. In ASTM 5511 testing, our EVRgreen® EPS showed biodegradation of 92% over 4-time frame in an anaerobic environment.

Year of Vision

Letter from Epsilyte Chief Executive Officer



2021 was a year of transformation for Epsilyte. Formed in late 2020, we had to overcome the early challenges of creating a standalone organization. As we pursued both organic and non-organic growth, we worked hard to design an infrastructure capable of operating in a safe, reliable, and profitable manner, apt to support bolt-on acquisitions. Strategy development was a critical path, and perhaps no area of the strategy was more transformative than developing a transparent, functional, and credible sustainability strategy. This year saw the activation of initiatives targeted to deliver on our sustainability goals – goals focused on not only today but the world we want to live in tomorrow.

Our two substantial acquisitions of Polysource, Inc. and StyroChem Canada, Ltd. were strategic in nature and filled several of our initial gaps in innovation and sustainability. The unique manufacturing capabilities gained through our acquisition of Polysource progress our sustainability footprint via the inclusion of recycled content, both pre-consumer, and post-consumer, in our advanced materials. Additionally, the POLYSOURCE® product line almost exclusively goes into durable, long-life applications that further supports our sustainability strategy by minimizing our footprint in disposable applications. StyroChem brought an excellent track record of innovation and sustainability focus complementing our legacy capabilities in areas like sustainable product design and biodegradability.

Our newly formed Innovation organization, combining resources of all three companies aligns and prioritizes sustainability and product development efforts throughout our operational and commercial functions.

Our efforts to ensure profitability within our business enabled the necessary reinvestment to transform sustainable practices from a goal to a delivered reality.

Though we've made significant progress in a short period of time, we are closer to the beginning of our sustainability journey than the end. A few primary goals for 2022 include:

- Climate-neutral operations per PAS 2060 standards
- Improved waste management through increased recycled content in our products
- Reduced environmental impact throughout our operational base through continued investment
- Expansion of our biodegradable product line, EVRgreen®, to all single-use applications by the end of 2022

As a business, we aim to squarely confront the realities of the environmental impact our operations and products may have and mitigate them with product and process innovation strategies while also educating our value chain on the unique and important environmental benefits brought by our products.

I extend thanks to all our stakeholders for their past and ongoing support of these dynamic and transformative efforts. I look forward to 2022 and beyond as a period of growth and improvement for our business, our customers, and our communities.

Brad Crocker

President & CEO

Epsilyte Overview

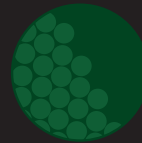
Epsilyte is one of North America's leading producers of insulative products. Our focus is to serve customer needs for efficient, highly insulative materials. This includes reducing energy usage in buildings, ensuring safe and healthy food with innovative packaging technologies, protecting lives with high-impact technology in safety helmets, safeguarding other perishable shipments like vaccines, and participating in infrastructure investments, both in the United States and abroad.

As a commitment to these life-sustaining applications, Epsilyte acquired Polysource, the company of choice for safety helmet producers. In October 2021, the recycled content in POLYSOURCE® was certified by SCS Global. We now proudly offer POLYSOURCE® with 50% certified post-consumer recycled content.

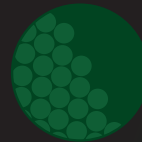
Epsilyte continued to expand our North American presence through the acquisition of StyroChem, a leading producer of advanced materials in Montreal. With this acquisition, we have further strengthened and enhanced our portfolio, enabling us to better serve our customers with more sustainable products and true value creation.

We operate 3 production sites, employ over 300 associates, and provide solutions to customers in more than 16 countries. We are excited to continue building a company of scale that cares about our industry, our customers, and our communities.

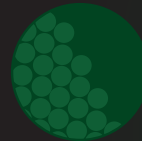
TIMELINE



Epsilyte formed
in November 2020



Acquired Polysource
in May 2021



Acquired StyroChem
in October 2021



Celebrated One
Year Anniversary in
November 2021

Thoughts on Sustainability

Perspective of Epsilyte Chief Sustainability Officer



Over the last several years, I have been invigorated by the rapid growth of sustainability as an area of focus in business. Nearly all companies across all sectors are strategically thinking about and investing in sustainability. While exciting, this is also sometimes confusing. Sustainability began as a focus on the environment but has grown to include areas like diversity & inclusion (D&I), poverty, and education. In 2015 the United Nations adopted Sustainable Development Goals (SDGs), defining 17 different sustainability focus areas. Because of the diverse range of topics covered by sustainability, I am now often asked, “What is sustainability?”

Sustainability can (and should) mean different things for different companies. For example, a service sector company with a large workforce may focus on human capital, D&I, and labor practices. However, a plastics manufacturing company may focus more on recycling and other end-of-life technologies for their products.

As a Chief Sustainability Officer, one of the first things you must do is define what dimensions of sustainability are the most material for your company. In other words, of the 17 SDGs, how can your company make the most significant impact? With that in mind, I would like to kick off our inaugural sustainability report by defining what sustainability means at Epsilyte:

1. We believe that energy conservation is critical to a carbon-neutral future.
2. We are dedicated to transparent, science-based, and accurate reporting on the value of our advanced materials.

3. We emphasize safety, health, and sustainable chemistry in all that we do.

4. We make decisions that consider the REDUCE-REUSE-RECYCLE hierarchy within the current infrastructure and capabilities.

5. We own our material’s End-of-Life impact.

Epsilyte will operate, innovate, and grow with this definition of sustainability at the center of our strategy. Then, each year we will publish a Sustainability Report to transparently report how we are doing.

The intense and diverse focus on corporate sustainability is the most exciting development in sustainability. Our planet will only truly become more sustainable through the collective efforts of many sustainability-focused companies working in different dimensions of sustainability. I am excited to live in the improved world that this will create.

In this report, we do not want to paint the picture that Epsilyte alone is saving the planet. Instead, this report explains how Epsilyte is doing its part and what our 300+ team members have done in the last year to leave our world better than we found it.

Jon Timbers

Chief Sustainability Officer

Combined Capabilities Enhance Epsilyte's Sustainability Proposition

With the Polysource acquisition, Epsilyte gained EPS extrusion technology. Although our POLYSOURCE® high-impact technology is targeted for the safety helmet market, 30 years ago, it began as an EPS recycling company. Epsilyte saw extrusion technology as key to meeting its recycling goals. Before this acquisition, Epsilyte only had suspension technology, which is notoriously sensitive to even minor contamination. Not a good platform for post-consumer recycling. However, extrusion is a tried and tested thermoplastic recycling technology. At the acquisition time, Piqua was recycling about 200,000 pounds of foam annually. In October 2021, the recycled content in POLYSOURCE® was certified by SCS global. We now offer

POLYSOURCE® with 50% certified post-consumer recycled content. Epsilyte's goal is to grow recycling at the Piqua, OH location to over 4 million pounds annually of post-consumer content by year-end 2025.

In addition to recycling, extrusion technology is also an excellent platform for other sustainable innovations—for example, products with even higher insulative properties. Our R&D facility is actively looking at how to bring this solution to the market. Improved building insulation will be critical to a carbon-neutral future.

Epsilyte attained biodegradable technology

with the StyroChem acquisition. In biodegradable technology, time is measured in years. When innovation is developed, it takes several years of ASTM D5511 testing to prove or disprove the effectiveness of a technology.

The 2021 acquisition of StyroChem significantly accelerated our ability to bring biodegradable materials to the market as years of testing on different technologies have already been completed.

Combined, these 2021 acquisitions put the technology pillars in place for the product sustainability strategy at Epsilyte.

Biodegradable¹ EPS



High R-Value EPS



Recycled Content EPS



Our Vision and Approach

Our Vision

The sustainability vision at Epsilyte is simple. We want to be a company that operates according to our values. Many companies develop a mission statement, put it on the website, and forget about it. Epsilyte wants to be a company that is guided by our values daily in the decisions we make. We want to be a company where values are at the heart of everything we do, from the boardroom to the break room. Epsilyte strategically makes decisions based on the best interest of our customers, owners, and the good of our society and the world. Today's consumers not only want to spend their money on sustainable products, but they also want to work for a company with sustainable operations. Epsilyte strives to be that company. Our vision is to be a carbon-neutral company, making carbon-favorable products and selling them into life-sustaining applications. When we achieve this vision, we'll be living #LyteLife.

Our Approach

As a producer of advanced materials, Epsilyte puts innovation at the center of sustainability. To be truly sustainable, we must find different and better ways of doing things. We must innovate in how we make our products, how our products perform while in service, and the end-of-life options for our products. We are careful not to let sustainability become a marketing function. Our Chief Sustainability Officer is responsible for both innovation and sustainability. Under his direction, the Epsilyte R&D facility innovates for sustainability. Our goal is to communicate sustainability efforts accurately and transparently, avoiding turning sustainability into a marketing program.

Within the universe of sustainability issues, the most material issue for Epsilyte is the environmental dimension of Environmental, Social, and Governance (ESG).

We are focused on minimizing greenhouse gas emissions, air quality, water, and solid waste during production. While in use, our focus is that our products enhance life by saving energy, protecting perishable shipments, and providing safety with our high-impact technology. Considering the end-of-life of our products, we seek minimal impact on the environment, investing in recycling and our biodegradable technology.



Epsilyte By The Numbers

2nd

Largest Producer of EPS
in the North America



67%

of Our Portfolio is Used
in Durable Applications



> 300
Employees



> 60%
Global Share of
Safety Helmet Market



> 160
Customers Spread
Across 16 Countries



70%
of Portfolio Enhances
Life and Sustainability



Strong Global Presence

Through Epsilyte's capabilities and acquisitions, we are one of the largest producers of our advanced materials in North America.

Epsilyte is headquartered in The Woodlands, Texas with production sites in Peru, Illinois; Piqua, Ohio; and Montreal, Canada.

We have more than 300 employees and provide solutions to customers in over 16 countries.

PERU, ILLINOIS

Home to both our largest production facility and Epsilyte's Research and Development Team. With an annual capacity of 216 million pounds, including our line of biodegradable products, this location holds ISO certification and is an OSHA Voluntary Protection Program (VPP) site.

PIQUA, OHIO

This ISO-certified location is the global leader in extrusion technology, making proprietary high-impact advanced materials for the safety helmet industry. Also, home to the Epsilyte recycling center, our Piqua team is leading the way in sustainability by recycling our own pre-consumer content, as well as post-consumer content from many sources.

MONTREAL, CANADA

The Epsilyte family in Montreal is a world-renowned innovator and producer of biodegradable and other advanced materials for food-grade and other packaging, construction, casting, and specialty applications. This plant has over 40 years of experience and is ideally positioned to service the North American and global markets.

Life-Sustaining Product Portfolio

Epsilyte is dedicated to durable and life-sustaining applications. Over 70% of Epsilyte's products are sold into life-sustaining or durable applications. Epsilyte products enable carbon neutrality with improved building insulation, POLYSOURCE® saves lives in safety helmets, and our biodegradable technology, EVRgreen® enables global vaccine distribution in insulative and biodegradable containers. We are dedicated to durable and life-sustaining products.

Durable Building Materials

Did you know that the average home insulated with Epsilyte materials saves almost one-half ton of carbon dioxide equivalents annually? Our durable building materials are 100 times lighter than soil with a drop in heat transfer as density drops. Lower density means better insulation.

Health & Life Sciences

Epsilyte values the health and safety of our global community. We strategically engineer our materials to ensure safe and efficient delivery for perishable shipments. With the remarkable low density of this material, the carbon footprint during shipments is lowered, leading the way to a more sustainable world.

Personal Safety

Epsilyte's high-impact material's expanded density is 3x higher than other grades, making it ideal for safety helmets. This material enables a helmet strong enough to protect your head during impact, but light enough for proper function and comfort.





REDUCE REUSE RECYCLE

Sustainability Innovation

The foundation of environmental sustainability at Epsilyte is the REDUCE-REUSE-RECYCLE hierarchy.

Reducing use and consuming less is the most crucial way to minimize environmental impact. At over 98% air, our advanced materials are extremely effective at the REDUCE part of the 3R hierarchy.

The second best way to reduce environmental impact is to REUSE. This is why Epsilyte is focused on designing and marketing our materials into durable applications.

The third best option is to recycle. However, in 2021 the U.S. still lacks the infrastructure for recycling to be a truly viable third option. Only 10% of all plastic is recycled in the U.S. Due to recycling challenges, we anticipate most plastic will continue to be landfilled over the next ten years.

However, we are not willing for products made from our material to accumulate in landfills until recycling improves. While we are recycling EPS in our Piqua, OH facility, we also focus on innovation when it comes to doing our part for the future of this planet.

We have created EVRgreen® for faster degradation in anaerobic landfills than traditional EPS. This allows manufacturers to create high-performance packaging and consumer products that, after use, can be landfilled in a way that demonstrates continued commitment to the environment.



Epsilyte Will be Certified Carbon-Neutral by Year-End 2023

Doing Our Part...

THE ROLE OF EPSILYTE IN CARBON NEUTRALITY

Instead of feeling overwhelmed by all the changes needed to achieve a carbon-neutral future, Epsilyte sees an opportunity for us to each do our part. It is exciting to watch the automotive industry transition from gas to electric vehicles because, according to the EPA, transportation accounts for 29% of greenhouse gas emissions¹. However, if the cars transition to electric power, but the power plants still burn fossil fuels to make electricity, we will not succeed in carbon neutrality. Each sector must do its part.

Another primary source of greenhouse gas emissions is from heating and cooling of residential and commercial buildings. About 30% of fossil fuel combustion is attributed to residential and commercial buildings². Our furnaces burn natural gas in the winter for heat, and our air conditioners use electricity in the summer for cooling. This is where Epsilyte is focused on doing our part. Our insulative products significantly reduce residential and commercial buildings' heating and cooling needs. Over 50 years, the EPS insulation used in a home will save 36 times more energy than was used to produce, ship, and install that insulation³. This 3600% return on investment is why we call our products carbon favorable.

The basis of our vision: Carbon-Neutral Operations. Carbon-Favorable Products. Life-Sustaining Applications. After achieving carbon neutrality in 2023, that is the company Epsilyte will be.

References:

- 1 - Sources of Greenhouse Gas Emissions | US EPA
- 2 - Decarbonizing U.S. Buildings | Center for Climate and Energy Solutions (c2es.org)
- 3 - EPS LCA Tech Bulletin.pdf (epsindustry.org)



Safety is Our Top Priority

Our goal is to be among the safest companies in the chemical manufacturing industry. This commitment to employee safety extends to contractors, visitors, and those who use our products.

INCIDENT PREVENTION

During our onboarding process, all Epsilyte employees are required to participate in safety training as well as attend regular refresher courses.

In addition to safety training, each Epsilyte employee has the authority to stop work at any of our facilities if they feel the work is unsafe, without fear of retaliation. This stop-work authority ensures that unsafe conditions are quickly identified and mitigated before they cause injury.

PREVENTING LOSS OF CONTAINMENT

All Epsilyte employees have the authority to shut down equipment if they detect unsafe operating conditions, without fear of retaliation. This authority helps us ensure that the release to the environment is prevented. Regular auditing and hazard identification studies are completed across Epsilyte facilities to identify and mitigate process

safety risks. Safety systems and equipment are regularly inspected and tested.

PRODUCT STEWARDSHIP

Epsilyte monitors and tracks safety incidents involving our products during transportation to our customers. We partner with our carriers and shippers to ensure that risks are minimized, and incidents are responded to properly, should they occur.

CONTINUOUS IMPROVEMENT

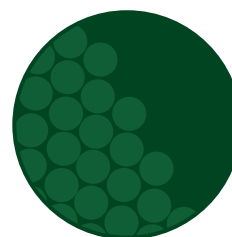
At Epsilyte, we believe that continuous effort and dedication to improving is part of maintaining safety as our top priority. As a member of the American Chemistry Council, Epsilyte has committed to the Responsible Care® EHS, and Security performance initiative. Responsible Care® ensures that sustainable management systems are in place, ensuring strong performance in EHS over time. It requires, among other things, leadership commitment to the program, employee participation, and certification by an independent third party. Responsible Care® will be a key vehicle to identify and capture continuous improvement opportunities in 2022 and 2023.

EPSILYTE'S RECORDABLE INCIDENT RATE (RIR) BY LOCATION & ACQUISITION

Operating Facility	RIR (Full-Year)	RIR (Since Epsilyte Acquired)	Comments
Peru, Illinois	1.84	1.84	Epsilyte owned all year
Piqua, Ohio	5.55	3.72	Epsilyte acquired on 5/28 (owned 218 of 365 days)
Montreal, Canada	2.30	0.00	Epsilyte acquired on 10/1 (owned 92 of 365 days)
Epsilyte-Wide	2.95	2.17	Epsilyte strives to improve our RIR throughout 2022 and beyond

These numbers show that our locations safety performance has improved since Epsilyte completed these acquisitions.

2021 CLOSEOUT



PERU
216 Days
Without Injury

PIQUA
99 Days
Without Injury

MONTREAL
126 Days
Without Injury

Epsilyte's COVID-19 Response

EMPLOYEE SAFETY

Our commitment to employee safety includes preventing exposure to infectious diseases in our workplace. Epsilyte has implemented several mitigative protocols to protect employees, contractors, and visitors from transmitting SARS-CoV-2, the virus that causes COVID-19. As the pandemic has continued to evolve, we follow the Centers for Disease Control and Prevention (CDC) guidance and work closely with local public health agencies. Fortunately, Epsilyte has maintained the ability to operate and serve our customers, many of whom make products that directly support the fight against COVID-19.

TEMPERATURE ASSURED COVID-19 VACCINE SHIPMENTS

FDA approval of the SARS-CoV-2 vaccines at the end of 2020 gave us all hope that life would begin returning to normal in 2021. The need for temperature assured containers to distribute the vaccine globally put additional pressure on Epsilyte. Demand for our product remained strong throughout 2021 across all segments. Supply was tight. However, the most significant global temperature assured coolers for medical shipments came to us with a unique request. They needed us to commit volume of our material to construct these containers required to “move the shots”.

With the vision of Epsilyte being a carbon-neutral company, making carbon-favorable products, and supplying them into life-sustaining applications, there was never a question about stepping up to this challenge. What was the Epsilyte response to COVID-19 in 2021? We put our money where our mouth is and our life-sustaining materials in a place that sustains life. #LyteLife



“Covid-19 challenged us in many new and unexpected ways when it comes to our safety strategy. I’m thankful for the dedicated employees at Epsilyte who stepped up to the plate and quickly adapted to the changing conditions. Ultimately, our efforts have been successful.”

Chris Eager
Vice President of Operations & EHS

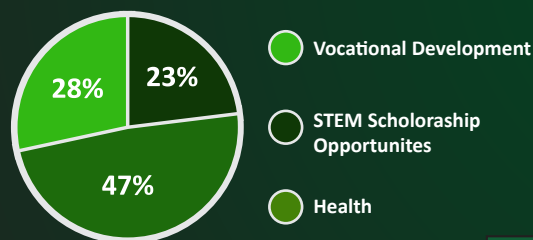
“Following the approvals for the booster and child vaccines in the United States, we received significant orders to rush these vitally needed vaccines to the market. As one of the only approved vaccine shippers, we’ve been proactively working for months to meet the lab test specifications necessary to ship this vaccine safely. Sonoco is thankful to Epsilyte for stepping up and partnering with us to support this effort.”

Jim Lassiter, Vice President
Healthcare and Protective Solutions,
Sonoco

Epsilyte supplied 10M lbs. of the 18M lbs. of EPS used in the healthcare packaging for Project Move the Shots.

At Epsilyte, We Are Proud to Support Educational and Environmental Initiatives in the Communities We Call Home

Our outreach efforts include leadership and support for high school student vocational development, STEM scholarship opportunities, local career fair participation, and other community-based initiatives. As Epsilyte grows, our charitable giving will grow along with it. Our leadership has identified charitable giving as an area where we as a company can and will improve.



"As an employee at Epsilyte, it feels good to give back to the communities we are a part of. Supporting our youth for continuing to make the world a better place and develop as a society for understanding the benefits of our products is worth it."

Emily Manternach
EHS Manager

Epsilyte Proudly Employs Talented Team Members Across All Backgrounds

At Epsilyte, our mission is to improve society through high value, insulative products in a responsible and sustainable manner. As we proceed in our vision, we reaffirm our commitment to Diversity and Inclusion (D&I), proudly employing and developing top talent from various backgrounds and experiences. While we are early in our journey, our commitment to D&I and a Valuing People (VP) culture is resonating.



"Equal opportunity shouldn't just apply to landing a job. Every member of our Epsilyte team has the opportunity to be part of a respectful and safe workplace, develop their talents, contribute to their highest level, and be recognized accordingly."

WE INVEST IN OUR EMPLOYEES

Epsilyte's leaders recognize that life can be a juggling act for employees, as it takes time and energy to balance work, family, and personal challenges. Eliminating some of life's roadblocks allows Epsilyte employees to focus on their job responsibilities and contribute in a meaningful and impactful way. To improve life outside of work for our 300+ full-time employees and their immediate family, Epsilyte offers a comprehensive and affordable insurance benefits package within 30 days of hire that includes medical, dental, vision, life, and disability plans along with additional benefits.

Each full-time employee can participate in our Annual Performance Award Cash Incentive as well as a 401(k)-retirement plan. This retirement plan includes a company match and annual profit-sharing with a minimum 5% yearly company contribution. In addition, employees have access to a 24/7/365 Employee Assistance Program to support their overall well-being with confidential and professional guidance and supportive resources, including short-term counseling, work-life benefits, and technology-based tools.

George Needs
Human Resources Director



Epsilyte's Alignment with the UN Sustainable Development Goals

The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by the United Nations (UN) in 2015 as a universal call to action to end poverty, protect the planet, and ensure peace and prosperity for all by 2030. To contribute to achieving these 17 goals, we are committed to doing our part as an advanced materials company focused on durable, life-sustaining applications. Our sustainability plan consistently focuses on:

- Integrating sustainability into our day-to-day business processes
- Creating key performance indicators to track and measure ESG performance
- Regularly reporting our ESG performance and review at the Board level
- Creating an inclusive work environment where we work with our employees side-by-side to achieve progress
- Collaborating with other sector players through partnerships and industry groups to magnify our collective results

We prioritize and focus these efforts concerning the six goals below, as these are the areas where we can create the highest impact on our stakeholders and the planet at large.

Goal 7. AFFORDABLE AND CLEAN ENERGY
 Goal 9. INDUSTRY, INNOVATION, AND INFRASTRUCTURE
 Goal 12. RESPONSIBLE CONSUMPTION AND PRODUCTION
 Goal 13. CLIMATE ACTION
 Goal 14. LIFE BELOW WATER
 Goal 17. PARTNERSHIPS FOR THE GOALS



7 AFFORDABLE AND CLEAN ENERGY



Goal 7. AFFORDABLE AND CLEAN ENERGY

Ensure access to affordable, reliable, sustainable, and modern energy for all.

Target 7.3: By 2030, double the global rate of improvement in energy efficiency.

The mission of Epsilyte's more than 300 team members is to conserve and reduce energy usage in buildings daily by developing and manufacturing high R-value insulation products. Products molded from our advanced materials typically contain between 90% and 98% air. Molded foam's shock-absorbing, insulating, and lightweight properties make it a leading specialty material for cold chain transportation and durable building insulation material. Over 50 years of being in service, a home insulated with EPS material will save 36 times more energy than it took to produce the insulation. More than 60% of our materials go into building insulation.

Goal 9. INDUSTRY, INNOVATION, AND INFRASTRUCTURE

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.

Target 9.1: Develop quality, reliable, sustainable, and resilient infrastructure including regional and transborder infrastructure, to support

economic development and human well-being, with a focus on affordable and equitable access for all.

We create product lines that solve today's problems and address sustainability concerns of future generations with our strong foundation built upon innovation. We invest in research & development and new technologies to streamline our processes. Our acquisitions further strengthen our ability to enhance our infrastructure and create efficiencies in operational technology. As an advanced materials company, we see capacity growth, R&D investment, and technology as essential pillars of industrial development. We are committed to enabling cost-effective and efficient infrastructure investment worldwide with our products, which will increase the living standards and well-being of all through sustainable industrialization. Some infrastructure applications include building insulation, geofram structures, and other molded EPS for the construction industry.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Goal 12. RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable consumption and production patterns.

Target 12.3: By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.

The main goals of transport packaging materials are to preserve and protect perishable products from damage from the end of the manufacturing process until delivery to the consumer. Due to their high insulating and moisture resistance properties, Epsilyte materials protect food during transportation and help reduce food waste.

Target 12.4: By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water, and soil to minimize their adverse impacts on human health and the environment

Taking responsibility for the chemicals we use in our processes, we set ambitious EHS goals to ensure the occupational safety of our workforce and environmental stewardship of our planet. The Board of Epsilyte actively tracks and manages our EHS performance, including personal safety, process safety, and environmental compliance, to ensure that we operate responsibly. This includes stewardship of the chemicals we use and the waste streams we create. As a commitment to continuous improvement on EHS performance, we joined the Responsible Care® program of the American Chemistry Council (ACC). Responsible Care® is the voluntary initiative of the global chemical industry to drive continuous improvement in sound chemicals management and achieve excellence in environmental, health, safety, and security performance. Epsilyte has initiated efforts to become certified against the Responsible Care Management System (RCMS®) standard. Certification is expected in late 2023.

As a company, we acknowledge that our product utilized in cold chain and food transportation applications creates the potential for waste-creation if their end-of-life journeys are not properly managed. To address this, we have (a) developed biodegradable EPS that provides much faster degradability than traditional EPS and (b) turned our operational focus toward incorporating increased quantities of recycled EPS in our production processes.

Target 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.

The REDUCE-REUSE-RECYCLE hierarchy is the North Star of the Epsilyte strategy. We believe the best way to positively impact sustainability is REDUCE consumption, REDUCE energy usage, and REDUCE waste. We are committed to promoting this culture and approach in all we do. Our long-term goal is for every pound of EPS to be recycled, in-kind, creating a circular life cycle. Epsilyte's Piqua,

Ohio plant recycles discarded EPS foam into reusable raw material, POLYSOURCE®, which is then used in manufacturing safety helmets worldwide. We proudly offer POLYSOURCE® with 50% certified post-consumer recycled content.

Target 12.6: Encourage large and transnational companies to adopt sustainable practices and integrate sustainability information into their reporting cycle.

We believe that sustainability is an integral part of doing business to create long-term value for all our stakeholders. As a company that exists to help create an energy-efficient future, we are committed to integrating ESG metrics into our decision-making processes and regularly sharing our performance on all three pillars with our stakeholders. In 2021, we established an entire innovation department, including C-suite and board-level leadership focused exclusively on sustainability. We are taking steps to improve our sustainability governance internally and are proud to publish our first sustainability report this year.

13 CLIMATE ACTION



Goal 13. CLIMATE ACTION

Take urgent action to combat climate change and its impacts.

Target 13.3: Improve education, awareness-raising, and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning.

As a leader in our field, we must set an example for conduct in responding to the world's most pressing environmental challenges and climate change is at the top of that list. Reducing energy consumption and societal carbon footprint through durable building and transportation materials are at the core of Epsilyte's mission. Our vision is to have all our products create a favorable impact on carbon emissions. The roadmap to achieve this vision includes actionable steps towards more sustainable operations, product lines, and mitigated impact. In 2021, we set in motion a plan to track and report Greenhouse Gas Emissions that our processes create. This is an essential metric in combating climate change and reaching GHG-neutral operations per PAS 2060 for all sites within 2022.

14 LIFE BELOW WATER



Goal 14. LIFE BELOW WATER

Conserve and sustainably use the oceans, seas, and marine resources for sustainable development.

Target 14.1: By 2025, prevent and significantly

reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.

Research shows that the health of the oceans has drastically declined since the industrial revolution. Plastic pollution has been identified as one of the causes of this drastic change. We take the threat to the oceans very seriously and acknowledge that our products can create environmental impacts on marine life and ecosystems. Recognizing the role of plastic litter in marine pollution, we continue to focus our innovation plans toward (a) enhancing recycling and repurposing of discarded EPS foam back into our products and (b) further development and strict implementation of our biodegradable product lines for single-use applications. We heavily invested in recycling technologies by acquiring Piqua and will continue advancing our recycling capacity.

17 PARTNERSHIPS FOR THE GOALS



Goal 17. PARTNERSHIPS FOR THE GOALS

Strengthen the means of implementation and revitalize the global partnership for sustainable development.

Target 17.16: Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize

and share knowledge, expertise, technology, and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries.

Target 17.17: Encourage and promote effective public, public-private, and civil society partnerships, building on the experience and resourcing strategies of partnerships.

We strongly believe that the SDGs can only be realized with strong global partnerships and cooperation. We are committed to working together with industry groups and associations to create joint solutions to the challenges we are all facing today. Epsilyte is an active member of the American Chemistry Council and the Plastics Industry Association (PLASTICS). Both industry associations are passionate about helping their members set and reach industry-leading sustainability goals. We collaborate with industry associations to develop, document, and implement our sustainability strategy while also contributing to joint efforts to advance the ESG performance of the entire industry.



Biodegradability

The Next Generation of Biodegradable¹ Plastic

Two Great Products are Now One... EVRgreen®

Epsilyte supports the aspirational goal of a global circular economy. This vision of a future where all the materials in the global economy are recycled is something we are working toward as well. However, we also recognize that only about 10% of all plastics are recycled today. Our commitment to biodegradable technology is also a recognition that the recycling industry is a very long way from achieving this vision, and something must be done.

In October 2021, Epsilyte acquired the rights to the EVRgreen® brand as part of the StyroChem acquisition. Beginning mid-year 2022, Epsilyte will manufacture, market, and sell all our biodegradable materials as EVRgreen®. The ADEPT® brand will no longer be used on materials with Epsilyte biodegradable technology.

Products made from EVRgreen® have been shown to biodegrade 92% over 4 years under conditions that simulate both wetter and biologically active landfills using ASTM D5511 test. The stated rate and extent of degradation do not mean the product will continue to degrade.

Biodegradable by Nature.

Helped by



1. In ASTM 5511 testing, our EVRgreen® EPS showed biodegradation of 92% over 4-time frame in an anaerobic environment.

Epsilyte Now Offers More Than 10 Biodegradable Products



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