

# 2023 Sustainability Report



**TEKNOR APEX**

*Celebrating 100 Years*



# In This Report

## **INTRODUCTION**

- 3 Our Company and Purpose
- 6 Message From the CEO
- 8 2023 Sustainability Highlights
- 10 Our Business
- 12 Our History
- 14 Advancing Our Sustainability Journey

## **FOSTERING ENVIRONMENTAL STEWARDSHIP**

- 17 Investing in Sustainable Operations
- 20 Moving Toward a World Without Waste
- 22 Ensuring Water Stewardship

## **INNOVATING FOR A SUSTAINABLE FUTURE**

- 25 Collaborating With Customers for a Better Tomorrow
- 26 Product Portfolio of Trusted Brands
- 28 Addressing Sustainability Challenges Across Industries
- 30 Innovating Alongside Customers
- 34 Innovation Through Collaboration

## **HELPING COMMUNITIES THRIVE**

- 37 Collaborating for Positive Impact
- 40 Empowering and Developing Our People
- 42 Committed to Diversity, Equity, and Inclusion
- 44 Strengthening Our Communities

## **OPERATING WITH ACCOUNTABILITY AND TRANSPARENCY**

- 47 Acting With Integrity and Accountability
- 48 Stakeholder Engagement
- 50 Acting Ethically and With Integrity Every Day





## Our Company and Purpose

Teknor Apex is a privately held custom compounder of polymers headquartered in Pawtucket, Rhode Island. With 100 years of expertise, we have the capability to deliver highly tailored solutions that help meet the evolving challenges of the customers and the essential industries we serve and contribute to everyday life.

Our commitment to sustainability is rooted in our purpose and values, which guide our actions. Each day, we strive to be responsible environmental stewards, empower our people, innovate for a more sustainable future, and do what is right. Our 2023 Sustainability Report, covering the calendar year ended December 31, 2023, outlines our sustainability strategy and demonstrates how it is integrated throughout our business.

More information about our organization, operational structure, markets served, and products can be found at [teknorapex.com](https://teknorapex.com). We also invite your comments and feedback. Please direct inquiries to Brian Wojtyna, Senior Director, ESG & ERM, at [bwojtyna@teknorapex.com](mailto:bwojtyna@teknorapex.com).

---

**Our more than  
2,000 employees  
across the world  
are committed  
to advancing  
our purpose “to  
create sustainable  
solutions,  
engineered for our  
customers, with  
ingenuity and global  
stewardship.”**

---

“ The emphasis on our purpose statement has always been sustainability, not just sustainability for the environment, sustainability for our employees, sustainability for the communities we live in. ”

Don Wiseman, CEO, Teknor Apex

## OUR MISSION

---

We conduct ourselves with high ethical standards, which are the cornerstone of our business reputation, and which generate long-term, trusting partnerships with customers, employees, and suppliers.

**Teknor Apex  
is dedicated to providing  
our customers superior  
products and services  
throughout our  
operations worldwide.**

---

Our work environment stimulates innovation while creating accountability and respect in our teams. We are committed to continuous learning and development so that our employees can grow to their fullest potential.

---

We promote the health and safety of our employees and contribute to the well-being of the communities in which we do business. Working together toward our shared vision assures a financially successful company that is a source of sustainable growth and pride for all.





## OUR VISION

To be the sought-after global provider of thermoplastic compound solutions.



## Message From the CEO

For 100 years, the Teknor Apex Company team has challenged ourselves and the status quo to deliver better, high-value polymer solutions. We have evolved and grown by anticipating and responding to the critical demands of customers, communities, and our industry, while operating with integrity and accountability. To us, that's just good business.

Today, we are focused on finding innovative solutions to the world's most pressing challenges and creating a lasting positive impact through the materials we produce. We know that a successful future requires a sustainable environment driven by responsible stewardship, ingenuity, and investment in our employees and communities — and we are determined to be part of the solution.

In 2023, we advanced our sustainability commitments in important ways.

### IMPROVING THE EFFICIENCY OF OUR OPERATIONS

Across our sites, we are taking steps to save resources and increase our energy efficiency, with a goal to reduce our Scope 1 and 2 greenhouse gas emissions by 10% by 2030.

- In 2023, our Global Energy Team continued to take steps to reduce our energy intensity and carbon footprint. As part of our 30X30 Challenge to reduce our kilowatt hours (kWh) by 30 million by 2030, we have conserved a cumulative 9,964,966 kWh since 2021.
- We are investing in technologies to reduce water usage and reuse water at our plants worldwide. In 2023, several sites significantly reduced their water consumption — including our site in Germany, which reduced its water intensity by greater than 50% over 2022.
- In 2023, 81% of our waste was diverted from landfills, exceeding our goal of 75%. To keep raising the bar, we increased our waste diversion goal and aim to divert at least 85% of waste from landfills by reusing, recycling, and incinerating waste as fuel.
- In 2023, nine of our 14 sites participated in the international Operation Clean Sweep® program, which is designed to prevent plastic flakes and pellets from entering the marine environment. By the end of 2025, our goal is to have all sites participating.
- The safety of our people and the communities in which we operate remains our first priority, and I am proud to report that we reduced our employee total recordable incident rate by 24% in 2023 to 0.90 — our best performance ever and well below the industry average.



**TEKNOR APEX**

*Celebrating 100 Years*





## INNOVATING FOR CUSTOMERS AND ACROSS THE VALUE CHAIN

Teknor Apex has a decades-long legacy of compounding expertise and environmental awareness. As we look to the next century of materials innovation, sustainability is at the forefront. Through our TekVentures group, we are partnering with scientists and startups to explore next-generation sustainable products.

In 2023, we continued to build a product portfolio with a broad range of sustainable attributes, such as recycled, bio-based, and biodegradable content, to help our customers meet their sustainability commitments and contribute to a lower-carbon, circular economy.

- We deepened our collaboration with UBQ Materials and announced the new Monprene® S3 CP-15170 BLK, an eco-conscious thermoplastic elastomer made with 35% sustainable content that includes UBQ™ and post-consumer recycled material. UBQ™ is a bio-based and highly recyclable sustainable plastic substitute converted entirely from organic and unrecyclable waste and offers a climate-positive solution toward a circular economy.
- We completed an asset purchase of Nu-Pro Polymers, which produces sustainable solutions for Teknor Apex under the Cycle-Tek brand. The polymer supplier based in Wheeling, Illinois, works with high-quality post-industrial (PIR) streams and converts them into new PVC compounds that perform equivalently to prime compounds, enabling manufacturers to meet their sustainability goals and deliver reliable quality to their customers at the same time.

- We launched Sarlink® thermoplastic vulcanizates (TPVs) to help automotive brands achieve sustainability targets. A recyclable, lightweight alternative to EPDM rubber, Sarlink® RX 3100B incorporates up to 40% PIR.
- We also continued our ongoing partnerships with organizations such as The Recycling Partnership and the Recycling Committee of the Plastics Industry Association, which work to enhance the management of plastic waste by advocating for increased collection, sortation, and recycling infrastructure.

## CREATING LONG-TERM VALUE

I joined Teknor Apex in September 2023, and I firmly believe our people are our true competitive advantage. As a chemical industry veteran who has led transformation and seen the industry evolve over the decades, I appreciate how our team is focused on working alongside our customers and stakeholders to address our industry's most critical sustainability issues.

Thank you for your interest in our sustainability journey. Please understand that our team is committed to continually improving and evolving to achieve more sustainable operations, products for our customers, and solutions across the value chain. After all, that is both good business and the right thing to do for people and the planet.

**Don Wiseman**  
CEO

“As we look to the next century of materials innovation, sustainability is at the forefront.”

Don Wiseman, CEO, Teknor Apex

# 2023 Sustainability Highlights

At Teknor Apex, we are motivated by our can-do spirit and commitment to doing things right to help address the world's evolving needs while improving the efficiency and safety of our own operations. Here's a look at key progress and actions in 2023:



**81%**

of waste diverted from landfill, exceeding goal of 75%



**↓ >50%**

decrease in water-use intensity at our Germany site



**69%**

of plants have implemented Operation Clean Sweep®, to keep plastic flakes and pellets from the marine environment



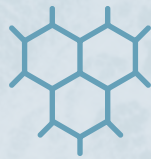
Expanded partnership with UBQ Materials to develop sustainable innovations for carbon-negative manufacturing applications



Relaunched

## Terraloy™ Sustainable Compounds

with recycled, bioderived  
and biodegradable content



# 6.4%

of our total energy  
use is generated by  
renewable energy –  
up nearly 5.8% from  
our 2020 baseline



# ↓ 24%

reduction in our  
total recordable  
incident rate –  
our best company  
performance



Nearly

# 100%

of the vinyl scrap production waste  
within our Hose business is used to  
make new hose products



**+VANTAGE** FOR A  
**vinyl** SUSTAINABLE  
FUTURE™

Successfully met all the requirements  
of +Vantage Vinyl™, an industrywide  
sustainability initiative



# Our Business

Over the decades, we have become the industry's trusted polymer partner through our breadth of polymer and compounding knowledge, expertise in a wide range of industries, and the close customer relationships that we've built based on our ability to deliver. We are widely known for our customized formulation and product development, application development support, and efficiencies that impact speed to market. Our products include PVC compounds, thermoplastic elastomers, engineering compounds, polymer colorants, and esters, as well as garden hoses.



## TEKNOR APEX AT A GLANCE



**Established in 1924;**  
headquartered in Pawtucket, R.I.



Privately held, **family-owned**  
company



Over **2,000** employees



**14 manufacturing facilities**  
**worldwide;** United States,  
Singapore, China, Belgium,  
Germany



**3 Application Development**  
**Centers of Excellence;** United  
States, China, Germany



2023 revenues: **>\$1 billion**

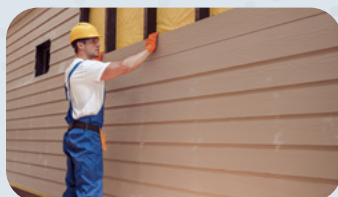




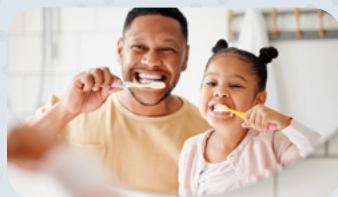
Serving a **variety of industries** ...



**Automotive**



**Building & Construction**



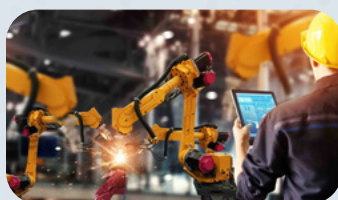
**Consumer**



**Electrical & Electronics**



**Healthcare**



**Industrial**



**Packaging**



**Wire & Cable**

... with a **broad portfolio of materials** to meet the evolving needs of our customers



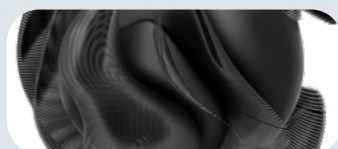
### Vinyl/Polyvinyl Chloride (PVC)

- Elastomer Blends
- Flexible PVC
- Rigid PVC



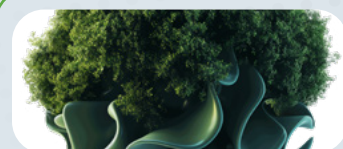
### Thermoplastic Elastomers

- Thermoplastic Vulcanizates
- Thermoplastic Styrenic Block Copolymers
- Thermoplastic Polyurethane



### Engineering Plastics

- Acrylics
- Cross-Linkable Solutions
- Polyamides
- Polyesters
- Specialty Engineering Plastic Blends



### Sustainable Solutions

- Sustainable Vinyl Solutions
- Sustainable Thermoplastic Elastomer Solutions
- Sustainable Engineering Plastics Solutions



### Polyolefins

- Low-Smoke Halogen-Free Flame Retardant (LS-HFFR)
- Specialty Polypropylene



### Polymer Colorants & Masterbatch

- Dry Colorants
- Low-Heat Build Colorants
- Masterbatch
- Pre-Colored Compounds
- Special Effects
- Super Concentrates®
- BioResin Colors & Concentrates



### Esters

- Ingredients
- Synthetic & Bio-Based Lubricants



### Outdoor Garden Hose

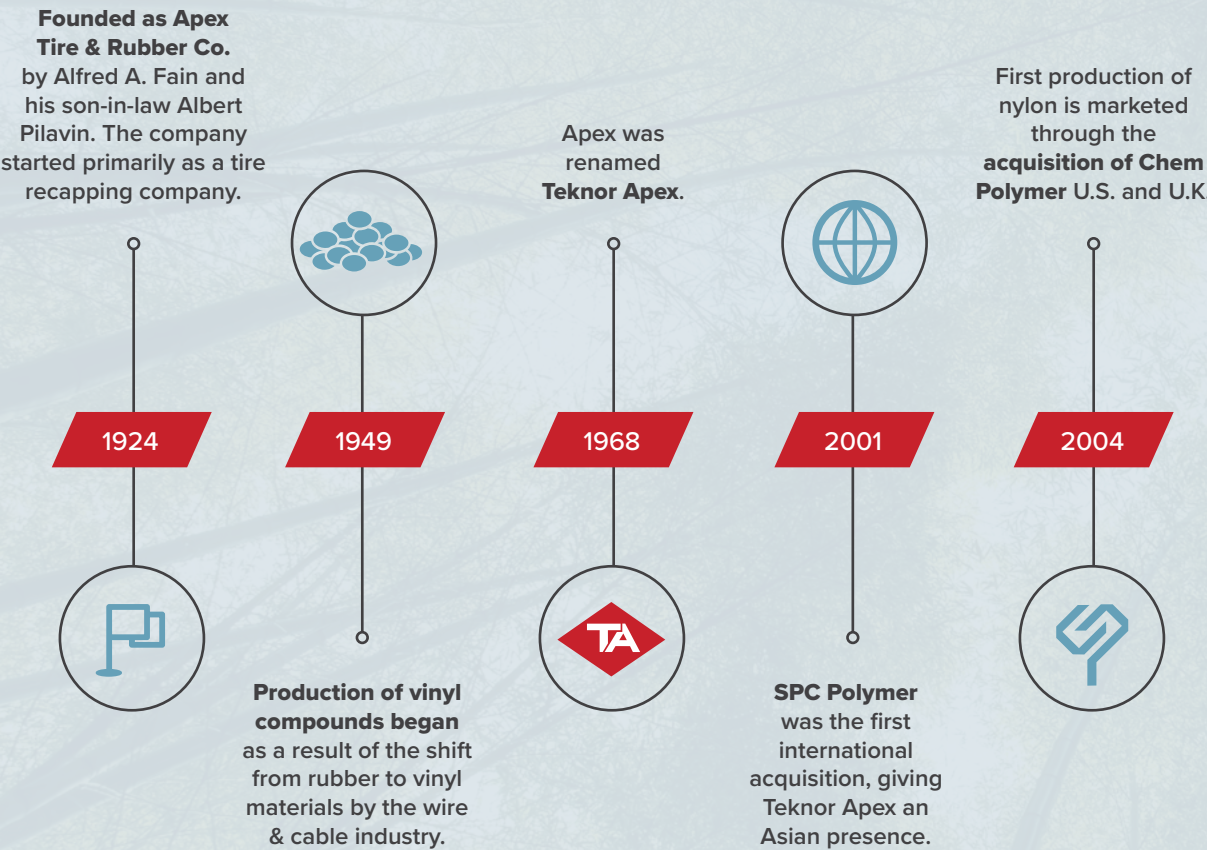
- All Products



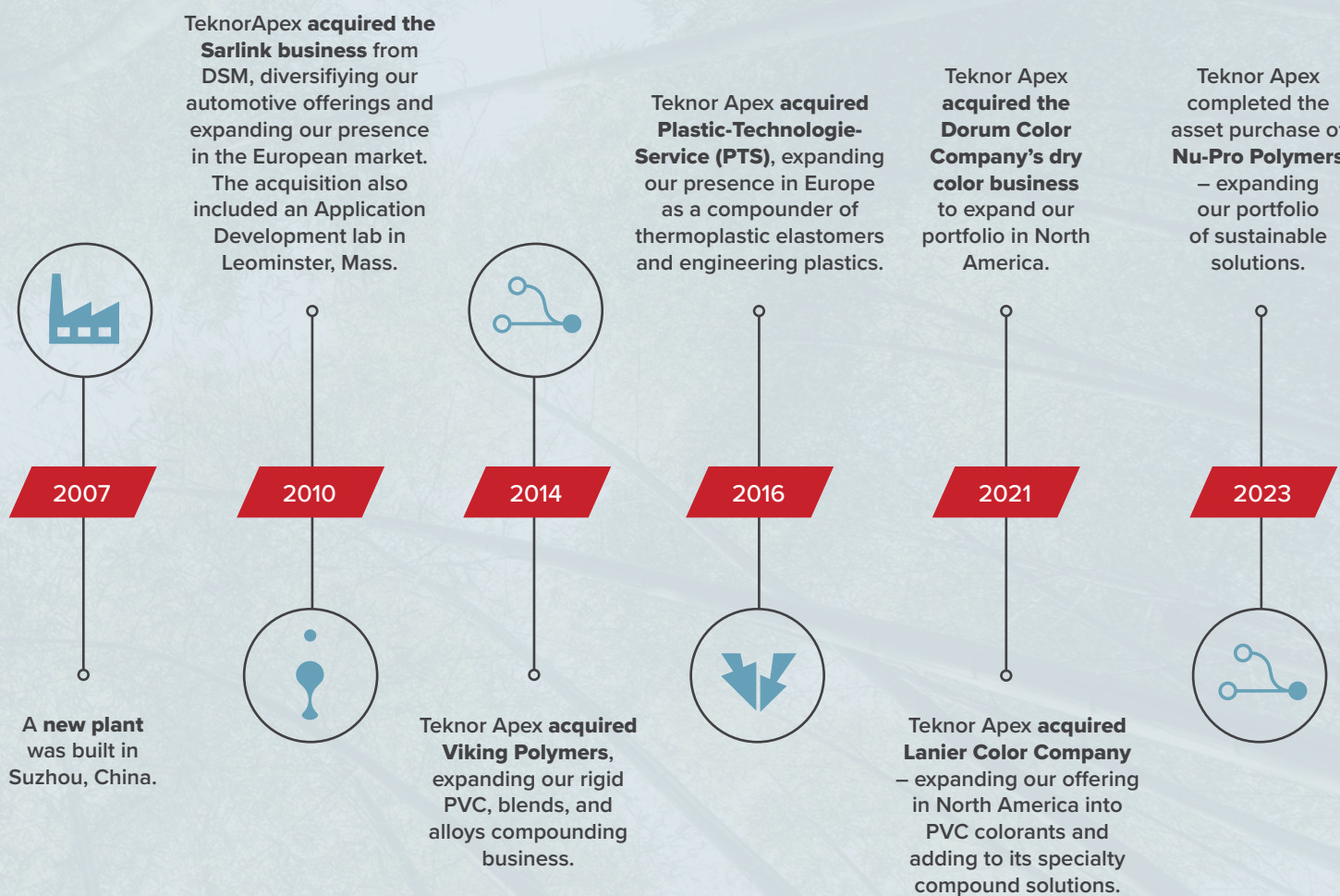
# Our History

Over 100 years, we have evolved to deliver custom compounds on a global scale. Yet our commitment to doing business the right way remains the same. How our products are sold and how we treat our customers, partners, and employees still matters most to us and influences every decision we make.

100 YEARS OF GROWTH AND INNOVATION







# Advancing Our Sustainability Journey

At Teknor Apex, we are committed to the journey of sustainability – as a business partner, employer, community member, environmental steward, and value creator for our stakeholders.

Within our operations, we strive to do our part every day to reduce our carbon footprint, contribute to a circular economy, and adhere to high standards of corporate social responsibility. We also recognize our responsibility to manufacture our products as sustainably as possible, and we are working alongside our customers and value chain partners to innovate products and processes that help advance more sustainable living.

## OUR APPROACH TO SUSTAINABILITY



### Fostering Environmental Stewardship

We strive to contribute to a more circular, lower-carbon world and to be a responsible steward of natural resources.



### Innovating for a Sustainable Future

We're committed to developing impactful innovations that address today's global challenges and supporting our customers on their own sustainability journeys.



### Helping Communities Thrive

We're working to help our employees and communities thrive through connection, opportunity, and a focus on quality of life.

## SUSTAINABILITY SPOTLIGHT

### Getting Insight Into Our Sustainability Journey

To help advance our sustainability journey, we are conducting a materiality assessment to identify the most impactful sustainability issues to both our company and our key stakeholders, as well as identifying software to gain better visibility into the sustainability of our supply chain.

To be launched in 2025, the materiality assessment will include external and internal stakeholder interviews and surveys; mapping and prioritizing environmental, social, and governance issues; and aligning the issues with Teknor Apex's business vision. The materiality assessment will assist with informing next-generation goal-setting as we look to revitalize our sustainability goals, help identify emerging sustainability issues of importance, and enhance stakeholder engagement and alignment. We look forward to sharing results of our assessment when it is completed.

To increase transparency, we also are seeking to leverage software to map our supply chain risk, report on supplier data, and utilize qualitative and quantitative environmental, social, and governance metrics in our supplier selection process.



“ I am proud of our commitment to environmental stewardship and social responsibility. In 2023, we made strides in enhancing resource efficiency and further improved our culture of sustainability across all levels of the organization. Our journey toward a sustainable future is ongoing, and we remain dedicated to driving impactful change that benefits our customers, planet, and communities. ”

Brian Wojtyna, Senior Director,  
ESG & ERM, Teknor Apex



## Alignment with U.N. Sustainability Goals

Established in 2015, the United Nations Sustainable Goals (SDGs) were developed to provide a shared blueprint for peace and prosperity for people and the planet. Through our work, we strive to directly and indirectly contribute to a more equal and sustainable future for everyone, in alignment with these objectives.

The following U.N. SDGs reflect areas where we believe that Teknor Apex can help create sustainable value for our employees, customers, and society.



### Good Health and Well-Being:

Ensure safety remains the core of our operations.



### Clean Water and Sanitation:

Ensure responsible use and cleanliness of water and enable access to clean water.



### Responsible Consumption and Production:

Ensure sustainable consumptions of natural resources while producing more sustainable products.



### Climate Action:

Ensure continued reduction of reliance on non-renewable resources.







# Fostering Environmental Stewardship





# Investing in Sustainable Operations

We have set goals to reduce our operational footprint and incorporate sustainable practices across our manufacturing sites. In the areas where we already have achieved our goals, we continue to set the bar higher.

## TAKING CLIMATE ACTION

At Teknor Apex, we support the transition to a low-carbon society. We are committed to reducing greenhouse gas (GHG) emissions from our global operations and value chain, while also enabling solutions that advance our customers' climate ambitions.

To increase the energy efficiency of our operations and reduce our GHG intensity, we have established a Global Energy Team whose focus is on reducing the amount of electricity consumed by our plants and finding opportunities to use clean energy sources to reduce emissions.

### Reducing Our Emissions

Reducing GHG emissions across our global operations is a top priority. In 2020, we set a goal to reduce our GHG emissions by 10% by 2030.

Our pathway to reduce our GHG emissions in our global operations is based on two primary reduction levers:

- Reduce GHG emissions attributed to on-site combustion of fuels and electricity usage from our manufacturing plants.
- Seek opportunities to use clean, renewable energy sources to reduce environmental impact.

In 2023, our Scope 1 and 2 emissions footprint was approximately 121,000 metric tons of carbon dioxide equivalent (CO<sub>2</sub>e), compared to approximately 132,000 metric tons in 2022. Due to lower production rates, our overall GHG intensity in 2023 was 7% higher than 2022.

### Reducing Our Energy Usage

In 2020, our sites globally were challenged to reduce energy usage by 1 million kilowatt hours (kWh). In eight months, the goal was exceeded after sites implemented energy-saving projects, optimized existing operations with automation, and replaced outdated equipment with energy-efficient technologies.

In 2021, we raised the bar further by introducing our 5X25 Challenge to reduce energy usage by 5 million kWh by 2025. This was such a success we introduced our 30X30 Challenge in 2021 and increased our target to 30 million kWh by 2030. At the end of 2023, our cumulative energy savings in kWh since our 2020 baseline was 9,964,966 kWh. Our total electrical use from local utilities was 132,653,606 kWh, which makes our actual electricity purchased in 2023 lower than our 2020 baseline by 12.5%. With renewable energy credits (RECs) and renewable electricity returned to the utility, net electrical use was even lower at 124,168,802 kWh. However, our energy intensity increased to 165,672 kWh per million pounds produced in 2023 from 154,977 kWh per million pounds produced in 2022. This was mainly due to lower production rates.

At each of our sites, we continue to identify and invest in projects to lower our energy intensity. In 2023, our South Carolina site launched an energy audit to identify opportunities to reduce energy intensity by 10%, and we have plans to conduct an energy audit at our Tennessee site in 2024. We also invested in energy-efficient equipment at our Tennessee site, including a Compabloc heat exchanger and high-to-low-pressure control valve.

**Since 2020, we have raised the bar **TWICE** on our energy-efficiency goals due to our success in reducing energy usage.**



## INCREASING OUR USE OF RENEWABLE ENERGY

Supporting our operations with renewable energy is critical to achieving our energy intensity and decarbonization goals. Since 2020, we have increased our on-site renewable energy to 6.4% of our total energy use, and both of our European production sites transitioned to 100% renewable energy beginning in 2024. Solar panels have been installed at our sites in Singapore, Rhode Island, Tennessee, and Suzhou, China, with 1,309,737 kWh of generated energy sold back to the grid in 2023. Three of our U.S. sites – South Carolina, Tennessee, and North Carolina – utilize renewable energy credits to offset 10% of their annual energy consumption. In 2023, we also purchased 7,175,067 kWh of RECs.

### SUSTAINABILITY SPOTLIGHT

## Singapore Site Utilizes Rooftops for Solar Power

The roofs at Teknor Apex's Singapore site are doing double duty – not only offering shelter from rain and temperature extremes, but also helping harness the power of the sun.

In 2023, the second phase of a solar installation was completed at one of our Singapore site's warehouses, so rooftop solar panels now cover the tops of the three warehouses, the main office building, and other administrative buildings. The on-site solar array project is part of a green energy partnership to generate 12% of the site's base load electricity use.

"We realized that we had a lot of unused real estate on our rooftops that could be used for solar panels," said Chook Ping Chye, Senior Project Engineer. "By using our rooftop space to generate renewable energy, we significantly reduce our energy intensity, which saves both GHG emissions and on the cost of electricity."

The solar cells now generate 1.5 gigawatts annually, saving \$200,000 annually. The solar power also reduces the site's annual carbon emissions by 620 metric tons, which is the equivalent of carbon sequestered from 10,252 tree seedlings grown for 10 years.

"This project is part of our ongoing journey to invest in renewable power to lower our carbon footprint and reduce our electricity consumption," said Brian Wojtyna, Senior Director, ESG & ERM. "We know the importance of limiting the effects of climate change, and we want to do our part by decarbonizing our operations and lowering the carbon footprint of our products."







## OUR GOALS

### 30X30 Challenge:

Reduce energy usage by 30 million kWh by 2030

### Energy Intensity:

Reduce 10% from our 2020 baseline

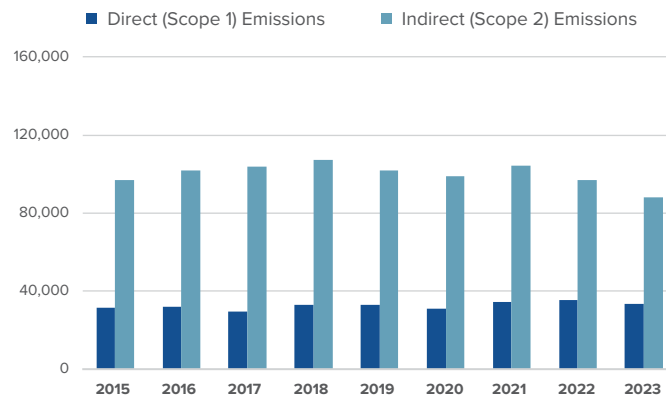
### Greenhouse (GHG) Intensity:

Reduce by 10% by 2030

## 2023 PROGRESS AND ACTIONS

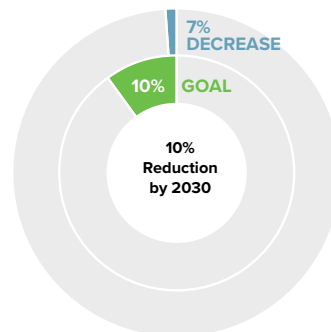
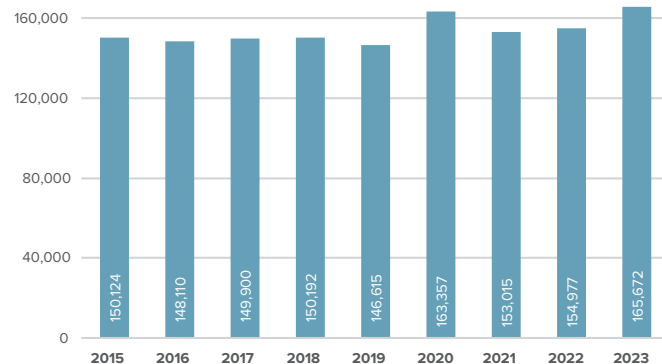
- Reduced Scope 1 (direct) and 2 (indirect) emissions by **7% over our 2020 baseline**.
- On-site renewable energy use as a percent of total energy use is **6.4% versus 0.62% in 2020**.
- **Decreased net electricity used** (purchased electricity minus RECs and solar power generated on site) by 18% versus our 2020 baseline.
- Implemented Phase 2 of a **solar array project** at our Singapore site.

### Greenhouse Gas Emissions (CO<sub>2</sub>e)



### Electricity Intensity

kWh per MM lbs production



Find out about our efforts to deliver low-carbon-footprint materials that will help our customers advance their own Scope 3 goals.

[LEARN MORE >>](#)

# Moving Toward a World Without Waste

A circular economy can create a more sustainable world by conserving finite resources and helping materials retain their value as long as possible. Across our operations, we are making a focused effort to reduce, reuse, and recycle our waste. We also are working to ensure that plastic waste does not end up in landfills or our oceans, and is instead repurposed into high-end applications.

To help advance the circularity of our operations and our products, we are:

- Reducing and reusing waste at our sites.
- Expanding our recycling capacity globally.
- Growing our portfolio of circular recycled and renewable products.
- Investing in partnerships along our value chain to access a consistent, quality supply of recycled or bio-based feedstock for our polymer products.
- Engaging with industry groups to improve waste management and recycling.

## REDUCING WASTE-TO-LANDFILL IN OUR OPERATIONS

In 2023, we diverted 81% of our waste to landfill – exceeding our goal of 75%. Across our sites, we are taking measures to first reduce and reuse our waste, then we are working to contract with local partners to recycle our remaining waste where possible.

In 2023, we recycled or reused 18,873 tons of waste across our facilities globally while 836 tons of waste was used to produce energy. Overall, 4,594 tons of waste went to landfill. This puts our total waste-to-landfill intensity at 5.7 tons per million pounds of production.

## SAVING RESOURCES IN OUR MANUFACTURING OPERATIONS

One of our goals is to reduce our environmental impact in our production processes where we can. Currently, all of our vinyl compounding waste is reused by our Hose business. In 2023, 27 million pounds of internal vinyl waste and external recycled material were reincorporated into our Hose production. This reduced waste to landfill and saved on raw materials. [Learn more.](#)

## PARTNERING TO REDUCE PLASTIC WASTE

We are a pledged partner of Operation Clean Sweep® (OCS®), an international program designed to prevent plastic pellets, flakes, and powder from entering our marine environment. In 2023, nine of 14 of our plants were engaged in this important initiative, and we completed assessments to identify gaps and eliminate pellet loss. In 2024, the goal is to complete implementation at all Teknor Apex sites globally.

As an OCS® partner, we are committed to transparently reporting any unrecovered plastic release to the environment that exceeds 0.5 kilograms (kg). In 2023, nine events occurred with more than 0.5 kg unrecovered plastic loss outside our facilities.



### TEKNOR APEX SITES PARTICIPATING IN OPERATION CLEAN SWEEP®

#### 2020

Rhode Island, Tennessee, and Vermont

#### 2021

California, North Carolina, and South Carolina

#### 2022

Kentucky and Texas

#### 2023

Massachusetts







## | SUSTAINABILITY SPOTLIGHT

# Implementing Waste-to-Energy Significantly Reduces Waste-to-Landfill

In 2023, we partnered with a waste-to-energy facility to help reach near-zero waste at our Rhode Island and Massachusetts sites.

A waste-to-energy plant converts municipal and industrial solid waste into electricity and/or heat – significantly reducing the volume of solid waste-to-landfill.

Our focus is to first reduce, reuse, and recycle as much as possible at our sites. In Europe, our production sites have achieved zero waste with almost no incineration.

“Where we cannot exercise the three R’s of reduce, reuse, and recycle, we are actively pursuing waste-to-energy where cost feasible,” said Mark Segee, Teknor Apex’s Director of Environmental Health and Safety.

As a result, the Rhode Island site increased its percentage of total diverted waste-to-landfill to 97.1% in 2023 from 75.9% in 2022. The Massachusetts waste-to-energy partnership started in December 2023, so the full impact of waste diverted will be seen in 2024.

Find out more about how our products are helping customers meet their goals for reusing and recycling plastic waste and lowering GHG emissions.

[LEARN MORE >>](#)



## 27MM

pounds of reused and recycled material<sup>1</sup> went into producing our hoses in 2023

<sup>1</sup> Includes both externally and internally sourced recycled material

**OUR GOAL>>>** 75% of waste diverted from landfill by 2025

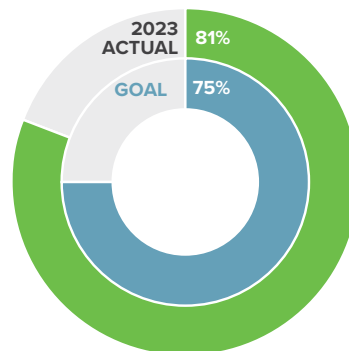
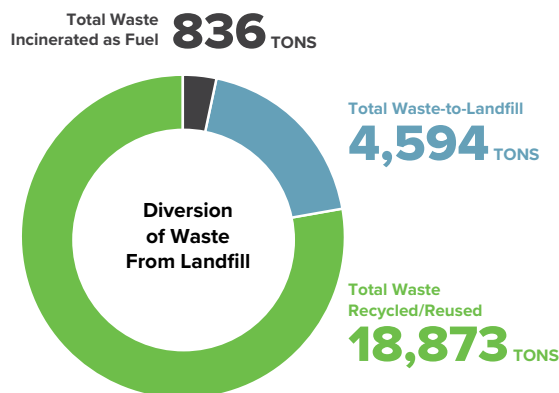


## 2023 PROGRESS AND ACTIONS

**81% of Teknor Apex waste was diverted** from landfill – exceeding our goal.

Nearly **100% of our vinyl process waste was reused** in our Hose business.

**>99% of waste was recycled** at our production facility in Genk, Belgium.





# Ensuring Water Stewardship

Abundant, clean freshwater is a critical resource for everyone – business, agriculture, communities, and nature. To help us maintain a sustainable business and be a responsible steward, we constantly seek to improve water use efficiency at our manufacturing sites.

Our planning and mitigation efforts are focused on high-stress watersheds and our largest water-consuming facilities. We promote recycling and reusing water where possible, and we monitor the quality of the water we discharge.

Our water intensity increased 38%, mainly due to lower production rates at our largest water-consuming site. Projects are now being scoped to improve water intensity at this site and other sites.

Several sites significantly reduced their water intensity in 2023 after implementing water-saving projects.



↓ **53%**

Rothenburg ob der Tauber, Germany:  
**Reduced by 53%**

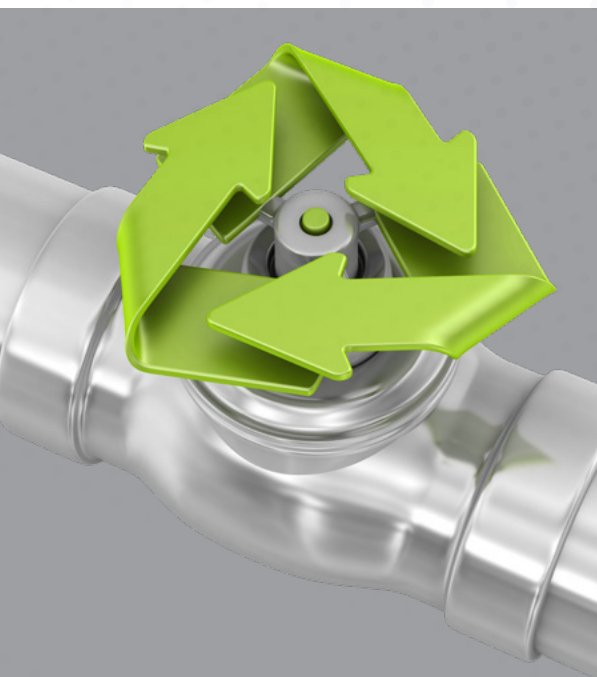
↓ **24%**

Industry, California:  
**Reduced by 24%**

↓ **23%**

Singapore:  
**Reduced by 23%**





## | SUSTAINABILITY SPOTLIGHT

### Reusing Water at Our Germany Site

In 2023, our Germany site reduced its water intensity by more than half after installing a water recirculation system on a heat exchanger.

Proper temperature control plays a crucial role in polymer processing, and heat exchangers help to maintain the process temperatures by circulating water. Instead of continuously using large volumes of water, the new closed-loop water system for the heat exchanger recirculates the process water for use again and again.

The Germany site, which opened in 2020, was designed for resource efficiency, utilizing LED lights and heat recovery systems with heat pumps to support it.

**OUR GOAL >>> 20% reduction in water intensity from our 2020 baseline**

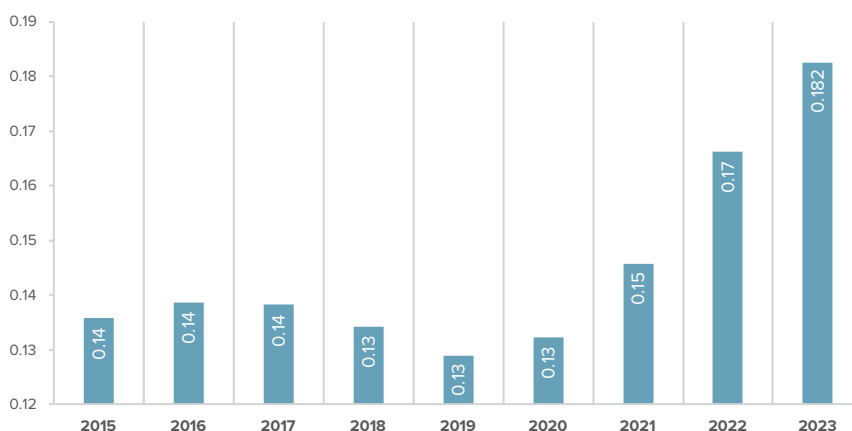


## 2023 PROGRESS AND ACTIONS

Decreased total water volume by **11 million gallons** compared with calendar year 2022.

Three Teknor Apex sites significantly reduced water intensity after implementing conservation projects:  
**Germany by 50%,**  
**Industry, California, by 24%,**  
**and Singapore by 23%.**

**Water Use Intensity**  
MM Gal/MM Lbs Production







# Innovating for a Sustainable Future



# Collaborating With Customers for a Better Tomorrow

At Teknor Apex, we see sustainability as an opportunity to create value for our customers, consumers, and the environment. Driven by this belief, we are focusing our efforts to become a go-to industry leader in sustainable product offerings and practices. Through our material innovation and investment in a robust pipeline of sustainable innovations, we are helping our customers meet their sustainability goals and product performance requirements, while helping address some of society's biggest challenges, such as climate change and ending plastic waste.

## WHERE WE ARE FOCUSING OUR EFFORTS



**Making products with more renewable and recycled raw materials**



**Advancing the use of renewable energy in our operations**



**Developing circular solutions in collaboration with our customers and suppliers**



**Reducing waste and the use of natural resources in our operations companywide**



**Developing high-performing, more sustainable alternatives to traditional processes and products**



# Product Portfolio of Trusted Brands

Teknor Apex offers a portfolio of high-performing, well-recognized brands in vinyl, thermoplastic elastomers, engineering plastics, colorants, and other specialty compounds and esters. Our portfolio contains a broad array of sustainable solutions, including recycled content, bio-based content, and climate-positive additives.



## VINYL

**Flexalloy®**  
**Apex®**  
**FireGuard®**  
**Weatherguard®**

**BioVinyl®**  
**Cycle-Tek®**  
**AquaGuard™**



## THERMOPLASTIC ELASTOMERS

**Sarlink®**  
**Monprene®**  
**Medalist®**

**Elexar®**  
**Desmoflex®**  
**Telcar®**



## ENGINEERING PLASTICS

**Chemlon®**  
**Creamid®**  
**Creablend**  
**Createc®**

**Recylon®**  
**Terraloy™**  
**Weatherguard®**



## SUSTAINABLE SOLUTIONS

**BioVinyl®**  
**Cycle-Tek®**  
**Monprene®**

**Sarlink®**  
**Recyclon®**  
**Terraloy™**



“Teknor Apex prides itself on providing innovative and sustainable products that meet the performance and sustainability requirements of our customers – whether through development, expansion, or partnerships.”

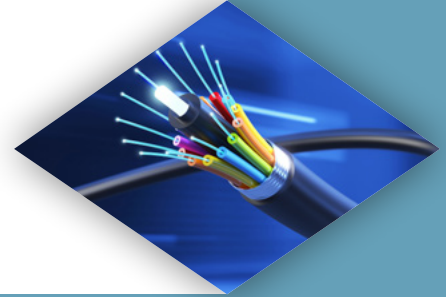
Lou Cappucci, Executive Vice President, Teknor Apex



**Crealen**

**HalGuard®**

**POLYOLEFINS**



**MetaLustre™**  
**SpectraCool™**

**Super  
Concentrates®**  
**Terraloy®**

**POLYMER  
COLORANTS &  
MASTERBATCH**



**TruCare®**

**TruVis®**

**ESTERS**



**All Products**

**OUTDOOR  
GARDEN HOSE**





# Addressing Sustainability Challenges Across Industries

Using our decades of expertise in the industries we serve, Teknor Apex will customize solutions for our customers to address sustainability needs without compromising performance.

## INDUSTRIES WE SERVE

and Their Sustainable  
Value Drivers



### BUILDING & CONSTRUCTION



Energy Efficiency  
Green Building Materials  
Resource & Waste Reduction  
Durability



### AUTOMOTIVE



Lightweight  
Decarbonization  
Electrification  
Connected/Autonomous  
Circularity/Recycled  
Content



### ELECTRICAL & ELECTRONICS



Energy Efficiency  
Renewable Energy  
Recyclable/Bio-Based Materials  
Digitalization  
Environmental  
Regulations



### CONSUMER



Lower-Carbon Solutions  
Higher Energy Rating Labels  
Material Reduction  
Circularity/Recycled  
Content





## How Teknor Apex Enables Sustainability

- Alternatives to traditional material solutions (metal, thermosets, EPDM, silicones, latex, etc.)
- Application development engineering support
  - Designing for recyclability
  - Lightweighting
  - Optimizing operations
- Open-loop and closed-loop recycling support
- Compounded solutions with sustainable content



### INDUSTRIAL



Circularity/Recycled Content  
Decarbonization  
Lightweight Materials



### HEALTHCARE



Health & Comfort  
Safer Materials  
Regulatory Compliance  
Waste Reduction



### WIRE & CABLE



Renewable Energy  
Safer Materials  
Lower Emissions



### PACKAGING



Lower-Carbon Solutions  
Circular & Renewable Solutions  
Lighter Weight  
Food Security  
Traceability





## Building Expertise in Sustainability

In 2023, we established a cross-functional team responsible for building capabilities and processes to enable delivery of sustainability-driven commercial projects.

The team is focused on four pillars: establishing expertise; obtaining traceability certifications for the use of sustainable content; assessing sources of sustainable raw materials; and assessing the environmental impact of our products.

“Supporting our customers’ sustainability journeys involves helping create verifiably circular or renewable solutions without risking loss of quality,” said Brian J. Wojtyna, Senior Director of ESG and ERM. “Customers want more visibility into what companies are doing, and we see our four pillars as areas where we can deliver differentiated value and demonstrate our commitment to more sustainable products and production.”

### Some of our key achievements include:

- Developing a model to calculate the product carbon footprint (PCF) of Sarlink® TPVs manufactured in Genk, Belgium, and Monprene® thermoplastic elastomers in Rothenburg ob der Tauber, Germany.
- Pursuing International Sustainability and Carbon Certification (ISCC) PLUS certification and RecyClass for our production sites in Belgium and Germany. ISCC is a world-leading international certification standard for fully traceable and environmentally, socially, and economically sustainable supply chains. RecyClass is a nonprofit, cross-industry initiative designed to bring transparency to the origin of plastic waste and establish a harmonized approach toward recycled plastic calculation and traceability in Europe.
- Initiating a survey to suppliers to gather PCF and life cycle assessment (LCA) data for key raw materials.
- Launching sustainability training for new products with sustainable content to help our team understand questions such as, “What is PCF?” and “Why does traceability matter?”



## Innovating Alongside Customers

As a custom compounder, one of the greatest areas of positive impact that we can have for both our customers and the planet is through our innovation – our polymer products and applications. Our role as an innovator is integral to the plastics value chain, as we take sustainable raw materials and develop high-value solutions that meet the end-use performance requirements of our customers across multiple industries. In addition, we help our customers design for recyclability, provide engineering support for more efficient plastic processes that can optimize material or energy efficiency, and identify open- and closed-loop recycling opportunities.

Our goal is to provide our customers with the tools they need to explore new ideas, solve production issues, and shorten their time to market – all while addressing their sustainability challenges. We start by understanding a customer’s sustainability, cost, and performance targets, then investigate various paths to help achieve them. By taking a holistic approach to sustainability, we help our customers to meet their goals, including:

- Carbon footprint reduction
- Reduction of virgin petroleum-based plastics
- Plastic waste elimination
- End-of-life recycling and circular economy
- Sustainable design and lightweighting
- Increased product life cycle



## THE FOLLOWING ARE KEY FOCUS AREAS OF OUR SUSTAINABLE INNOVATION.

### CARBON FOOTPRINT REDUCTION

Our portfolio has several reduced-carbon offerings that enable a lower embedded carbon footprint in our customers' products. To help support our customers in meeting their greenhouse gas (GHG) emissions reduction goals, we responsibly source renewable, bio-based and recycled content that empower our customers to reduce their Scope 3 GHG emissions. We also are reducing carbon emissions in our own manufacturing processes, mainly using renewable energy.

#### 2023 Strategic Actions

##### Vinyl

In 2023, we relaunched our [BioVinyl® Flexible PVC Compounds](#), made with Dow Ecolibrium™, a renewable bio-based plasticizer. Boasting renewable attributes while retaining the flexibility and durability of traditional materials, BioVinyl® compounds have a unique, non-phthalate, plant-based composition that provides a lower carbon footprint compared to fossil fuel-based content and is fully recyclable. BioVinyl® can be used in a wide variety of wire and cable, automotive, consumer, and building and construction applications. With the relaunch, we are broadening the product line to include the next generation of BioVinyl compounds, which have been developed to include lower-GHG-emissions PVC resin, further reducing the carbon footprint of this product line. Using mass balance protocols, renewable content decreases reliance on fossil fuel-based products and supports a circular economy by reintroducing materials back into the processing stream.

We also relaunched our [Terraloy™](#) brand in a dedicated effort to build up a portfolio of products that will meet the challenges of today's rapidly changing industry. The portfolio will include polymers, additives, and

fillers covering a broad range of sustainable attributes such as recycled, bioderived, and biodegradable content. As the portfolio evolves, it will include credible products with verifiable carbon footprint and life cycle assessment data.

##### Colorants and Additives

We also announced a new color masterbatch solution for [UBQ Materials'](#) bio-based thermoplastic: UBQ™. Our new solution includes the development and supply of highly chromatic colors that incorporate UBQ's sustainable products made entirely from unsorted organic and unrecyclable waste. Our color masterbatch solution enables UBQ™ to be compounded with a brighter spectrum of colors beyond the initial brown, black, and gray of the climate-positive thermoplastic, helping customers to meet sustainability goals while still providing a visually appealing end product. In addition, Teknor Apex is working with UBQ to incorporate its advanced materials made from unsorted waste into new product applications, which will enable customers to meet multiple sustainability objectives including greenhouse gas emissions removal and avoidance, increased use of recycled materials, and reduced reliance on fossil materials.





## CIRCULARITY

Working alongside our customers and value chain partners, we are focused on creating a more circular value chain where new plastics do not end up in landfills or oceans and are instead repurposed into high-end applications. Using post-consumer recycled (PCR), post-industrial recycled (PIR), and renewable materials promotes a circular economy by keeping still-useful materials out of landfills and contributes to carbon footprint reduction by minimizing the use of fossil fuel-based materials.

### 2023 Strategic Actions

#### Thermoplastic Elastomers

The [Monprene® R6 CP-10100](#) series contains up to 60% PCR content and is designed to have a lower carbon footprint while maintaining translucency for vibrant colors. For instance, the 70 Shore A grade, Monprene® R6 CP-10170, results in a reduction of 36% in CO<sub>2</sub>e/kg thermoplastic elastomers versus fossil-based thermoplastic elastomers of similar hardness, based on third-party-reviewed data. Ideal for consumer applications from sporting goods, lawn and garden to consumer electronics, appliances and personal care, the Monprene® R6 CP-10100 series includes shore hardness ranging from 40 to 70 A and is manufactured with locally sourced raw materials procured to exacting specifications – turning local waste into a resource. Product carbon footprint data, composed according to the guidelines of both the GHG Protocol Product Life Cycle Accounting and Reporting Standard as well as the ISO 14067 framework, is available for the entire Monprene® R6 CP-10100 series.

#### Thermoplastic Vulcanizates

We announced [Sarlink® RX 3100B thermoplastic vulcanizates](#) (TPVs), which were developed to help automotive brands achieve sustainability targets by incorporating up to 40% PIR content, depending on the hardness. The two grades, an 84 Shore A and 94 Shore A, are based on the existing Sarlink® 3100 Series technology but contain 25% and 40% recycled

content, respectively. The materials process and perform similarly to their virgin counterparts yet offer sustainability benefits such as reduced dependency on virgin fossil fuel-based plastic, which is ideal for original equipment manufacturers looking to reach aggressive targets around the use of sustainable material content in vehicles. A recyclable, lightweight alternative to EPDM rubber, these multipurpose TPVs are suitable for injection molding, extrusion, overmolding, and co-extrusion with polypropylene or other thermoplastic elastomers.

#### Vinyl

In 2023, we announced the asset purchase of [Nu-Pro Polymers](#), which works with clean recyclate streams and converts them into new PVC compounds, incorporating up to 90% PIR content under the Cycle-Tek® brand. We are not only able to reuse scrap from the production of Cycle-Tek® products, but also procure PCR and PIR materials from both clients and the global marketplace. The Cycle-Tek® family of flexible PVC compounds offers manufacturers a sustainable solution that performs equivalently to prime compounds, and is available in a variety of color options and hardnesses suitable for extrusion and molding applications. The acquisition further enables us to develop innovative compounds that meet the performance and sustainability requirements of our customers.



## | SUSTAINABILITY SPOTLIGHT

### Saving Resources in Our Production Processes

In addition to using other PIR materials, we incorporate nearly all of the scrap material from our Hose business into making new products. In fact, over 60 years, we have used 100 million pounds of our internal production scrap material in manufacturing our garden hoses. Reusing our scrap material from our manufacturing process helps reduce waste-to-landfill while also helping our customers meet consumer demand for more sustainable products





# Innovation Through Collaboration

As sustainability issues become increasingly complex, global in nature, and pivotal to success, we understand that Teknor Apex can't make the necessary impact acting alone. We have found that collaborating across the value chain – whether through industry associations, with suppliers or with startups – helps to foster sustainable innovation by addressing complex challenges more holistically. This in turn enables us to accelerate our positive impact.

In addition to participating in industry groups, we are partnering with scientists and startups through our Teknor Ventures Group to make meaningful investments in technologies that advance sustainable innovations, such as green chemistries. Our focus is on making meaningful investments that align with our vision for the future, underpinned by a commitment to doing the right thing.

## 2023 Strategic Actions

### UBQ Materials

We announced an expansion of our partnership with UBQ Materials, a climate tech developer of advanced materials made from unsorted household waste. Collaborating since 2022, Teknor Apex and UBQ Materials are developing carbon-negative manufacturing applications using UBQ's new [sustainable product portfolio](#). The partnership will primarily focus on durables, from industrial to consumer applications, and will enable customers across the value chain to meet multiple sustainability objectives including greenhouse gas emissions removal and avoidance, increased use of recycled materials, circularity, and reduced reliance on fossil materials.

### +Vantage Vinyl™

Teknor Apex successfully met all the requirements of +Vantage Vinyl™, an industrywide sustainability initiative that engages companies across the U.S. vinyl value chain. Companies that showcase the +Vantage Vinyl mark have undergone verification by third-party GreenCircle Certified to confirm their progress to relating to environmental stewardship, social diligence, economic soundness, communication, and collaboration. +Vantage Vinyl is a sustainability initiative of the Vinyl Sustainability Council.





“As our partners at Teknor Apex reach their 100-year milestone, they’ve closed out a century of development with a continued forward-looking perspective on increasing sustainability everywhere. This shared value is central to our work and will facilitate rapid application development for our partners in shared priority sectors.”

Patricia Mishic O’Brien, Chief  
Commercial Officer, UBQ Materials

#### Collaborators





A photograph of three people, two women and one man, wearing light blue t-shirts and jeans, working outdoors. The man in the foreground is smiling and holding a white plastic bin. The woman to his left is reaching into the bin. The woman to his right is also reaching into the bin. The background is a lush green forest. The text "Helping Communities Thrive" is overlaid in white. The right side of the image has a white background with a pattern of small white circles and a series of white curved lines.

# Helping Communities Thrive

volunteer





# Collaborating for Positive Impact

Together with our employees, customers, and partners, we want to make lives better and contribute to a thriving society. Our entire Teknor Apex team is committed to the safety and well-being of our colleagues and communities. We seek to cultivate a culture of respect, inclusion, and advancement. We also are taking actions to promote diversity across our business and respect human rights across our supply chain.

## EMPLOYEE HEALTH, SAFETY, AND WELL-BEING

Teknor Apex's number one priority is the safety of our employees, contractors, suppliers, and communities. We apply a global, integrated Environmental Health & Safety (EHS) approach to ensure the safety of our sites. Our EHS program adheres to robust global safety standards and includes continuous risk assessments, employee training, and communications. We have an EHS management system in place to help us report, identify, track, and implement corrective action plans to improve workplace safety.

Our goal is to achieve a zero total recordable incident rate (TRIR). Our approach to achieve this goal and improve safe working practices and safety risk management includes:

- Incident reporting and tracking
- Targeted risk assessments
- Employee training
- Action item tracking
- Auditing and inspections
- Change management

By closely assessing safety risks, investigating EHS incidents and near misses, and taking corrective action, we seek to prevent future incidents and injuries.

---

**In 2023, we  
lowered our  
year-over-year  
total recordable  
incident rate  
by 24%**

---

### 2023 EHS Performance

In 2023, we reduced TRIR by nearly 24% over 2022 to 0.90 – which is 47% less than the industry average of 1.9.\* Our total number of reportable hazardous substance releases also was zero. Seven of our sites also had zero recordable incidents in 2023. Our Brownsville, Tennessee, chemicals plant achieved six years with zero incidents, while five of our production sites also were incident-free. These sites were Jamestown, North Carolina, five years; Jacksonville, Texas, three years; Brownsville, Tennessee, three years; Suzhou, China, two years; and Henderson, Kentucky, and Industry, California, both one year incident-free.

### Reinforcing a Safety Mindset With Employees

We believe that EHS performance is improved through meaningful employee engagement and dialogue. In 2023, Teknor Apex held EHS training seminars for all employees. Monthly training covered topics from Occupational Safety and Health Administration compliance to home safety. In addition, safety best practices and demonstrations of targeted safe behaviors are regularly shared during employee meetings.

\* Source: [U.S. Bureau of Labor Statistics](#), Incidence rates of nonfatal occupational injuries and illness by industry and case types, 2022, Chemical manufacturing, Plastic material and resin manufacturing.



## Supporting a Well-Balanced Life

Teknor Apex is committed to providing our people a comprehensive and competitive benefits program that meets their needs and enables us to support growth by attracting and retaining top talent in the geographic region in which they work. Employees receive a wide variety of benefits based on geographic location, and applicable local and national laws, including:



### Health

- Medical, Dental, and Vision Benefits
- On-Site Healthcare Clinics at Select Locations
- Medical Plans and Flexible Spending Accounts
- Corporate Wellness Program



### Life

- Paid Vacation
- Paid Holidays
- Family Medical Leave
- Leave Support for Military Service
- Norman M. Fain College Scholarship Program (U.S. and Asia)



### Development

- Tuition Reimbursement
- Internal Training Programs
- Career Development Program



### Finances

- Life Insurance
- Disability



### Retirement

- Defined Contribution Plans

## QUALITY MANAGEMENT SYSTEMS

As a commitment to excellence, we work with various management standards, including standards put forth by the International Organization for Standardization (ISO). Several of our manufacturing sites in the United States, Europe, and Asia have received certifications for environmental management systems (ISO 14001), quality management systems (ISO 9001), occupational health and safety (ISO-45001), and energy management systems (ISO 50001), among other certifications. Annual third-party audits ensure ongoing compliance and provide independent verification of our commitment to quality.

## PRODUCT STEWARDSHIP

Our aim is to ensure our products are safe from development to disposal. Our commitment to safer and more sustainable products helps keep our customers, consumers, and the environment safe, and reinforces our reputation as a responsible company.

To oversee product stewardship, Teknor Apex has a Regulatory Affairs Department dedicated to keeping track of the constantly changing regulatory environment and to make sure that our company, the materials we buy, and the products we sell comply with state, federal, and international laws, reporting requirements, and regulatory restrictions.

The Regulatory Affairs Department administers government regulations, voluntary consensus standards, and compliance to internal product and process requirements. Specifically, our Regulatory Affairs team compiles safety and health information on the raw materials used in our products and uses that information to communicate information on the hazards associated with the products we manufacture. Using this data, the Regulatory Affairs Department publishes Safety Data Sheets and hazard labels for our products, where required. For customer applications that are regulated, such as food contact or medical applications, system-based formulation controls are used to ensure that the Teknor Apex product is suitable for the customer's intended use.



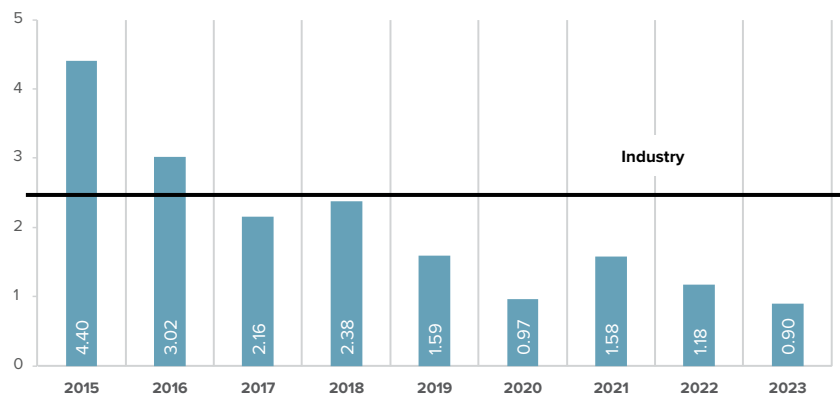
**OUR GOAL >>> Total Recordable Incident Rate: Zero recordable incidents**



## 2023 PROGRESS AND ACTIONS

- **0.90 total TRIR** is best performance in company history
- **Zero** reportable hazardous substance releases
- 7 sites recorded **zero TRIRs** in 2023

**Employee Total Recordable Incident Rate**  
(Number of Incidents X 200,000/Total Hours Worked)





# Empowering and Developing Our People

Our business success as a company is tied to the passion, expertise, and talent of our employees. To build a culture of impact, we invest in the development and engagement of all employees, so our people are equipped to grow in their careers and support our business strategy. We also support a diverse and inclusive workplace, which contributes to a high-performing culture.

## A CULTURE OF CONTINUOUS LEARNING

At Teknor Apex, our people are our greatest assets. We are committed to investing in the development of our diverse workforce to bring together the best ideas and talent across all levels of our company. Our internal training and employee development programs help to strengthen this approach.

### Performance Management

All employees participate in a formal performance management process. Goals are set for all employees on an annual basis and are linked to the company's overall strategic plans. Employees also are evaluated on how they uphold Teknor Apex's core values and contribute to their teams.

Continuous learning is one of the competencies for which employees are reviewed. In 2022, we implemented a companywide learning goal where employees are required to complete at least four hours of developmental training. In 2023, that goal was increased to eight hours per year.

### Learning Platforms and Resources

As part of our commitment to the growth and development of our people, we provide continuous learning opportunities through our online learning management system, Percipio. This platform provides self-paced courses and hands-on practice across a range of topics, including leadership and business, technology, and compliance and ethics. In 2023, employees completed 2,966 hours of training through Percipio.

### Development Programs

Our development programs help employees acquire critical skills, develop their leadership style, and expand their professional networks.

- **Leading the Teknor Apex Way:** In 2023, we launched our new leadership training program, Leadership Journey. This program engages Operations supervisors, crew leaders, and managers on how to lead with Teknor Apex's core values.
- **Mentorship Program:** In 2023, we launched our formal companywide employee mentorship program that matches early-career employees with experienced mentors. Participants engage in a range of formal and informal activities to support networking and career development. Mentees benefit as mentors share their learning experience and institutional knowledge, and in return, mentees can bring fresh ideas and perspectives. In its first year, 80 mentors were paired with 99 mentees.

## 2023 Strategic Actions

### COMMITTED TO DIVERSITY, EQUITY, AND INCLUSION

Planned for Women in Business, our first Teknor Apex employee resource group, launched in early 2024



## Supporting Continuing Education

As part of our commitment to the development and growth of our people, Teknor Apex provides tuition reimbursements to all full-time employees who complete continuing education courses. Through this program, employees may take individual courses or pursue a degree at approved and accredited educational institutions.

## Celebrating Employee Success

Every day, our people make impactful contributions for our colleagues, our customers, and our company. Our CELEBRATE program recognizes employees for going above and beyond to deliver exceptional results aligned with our values and our culture, and for their service to Teknor Apex. This web-based program brings people together in one place to formally acknowledge and congratulate one another on their accomplishments and achievement of service milestones. Employees earn points for recognition moments that can be redeemed for merchandise or gift cards. Points can also be redeemed toward a donation to a charity of the employee's choosing.

“I started back in '92 and I basically did every function that was necessary or asked of me. Then I went back to school, started working in the laboratories, got my chemistry degree, and they gave me the opportunities to grow into the position that I'm in right now.”

**Jose Andrade, Color Lab  
Supervisor, Rhode Island**

### LEADERSHIP TRAINING

Launched Leadership Journey, a training program for Operations leaders, focused on leading with Teknor Apex's core values

### CULTURE OF CONTINUOUS LEARNING

Employees completed 2,966 hours of training through our online Percipio learning management system

### MENTORSHIP

Embarked on a formal companywide employee mentorship program in 2023, with 99 mentees and 80 mentors enrolled



# Committed to Diversity, Equity, and Inclusion

Our commitment to diversity, equity, and inclusion (DEI) is rooted in our core values. We embrace and value the diversity of thought and experiences that all our people bring forth, and we work to create an inclusive environment where all employees are treated with dignity, fairness, and respect.

We believe that a diverse, inclusive workforce enables us to retain and attract top talent, and meet the needs of our customers, communities, and other stakeholders. We aim to ensure a workforce that is representative of the places where we work and live, and to establish diversity at all levels of the company.

Here are our progress and actions toward increasing diverse representation and cultivating a culture of inclusion and belonging:

## PROGRESS AND ACTIONS



### Diverse Leadership

**50%** women on our Board of Directors

Board diversity can contribute to a more inclusive and collective corporate governance, and positively impact a company's strategy and culture. We have an equal representation of women and men on our Board.



### Building Inclusion

**1st** employee resource group (ERG) launched

Women in Business, our first ERG, was formed in early 2024. The ERG is helping promote inclusion and develop the leadership skills of its members by conducting professional development and networking events.



### Increasing Racial and Ethnic Diversity

**42%** employees are U.S. ethnic minorities; **29%** are Black

We want to have a workforce that reflects the global world we live in and promote equitable access to salary and benefits, resources, and advancement opportunities. We hire and foster achievement based on individual merits and abilities, without regard to sex, race, age, sexual orientation, national origin, disability, religion, or other protected statuses.



### Creating Opportunity for Under-Represented Workers

**Partnering to place candidates with disabilities and refugee candidates in our workforce**

Disabled workers experience an unemployment rate that is twice as high as workers without a disability, according to the U.S. Bureau of Labor. We are working with local communities and agencies across our locations to place candidates with disabilities and refugee candidates in our workforce.





## FAIR PAY

As part of our commitment to DEI, we are committed to fair pay. Our goal is to ensure our pay is competitive in the marketplace and promotes fairness to all employees. We also aim to offer equal opportunities to all employees.

We review compensation information on a regular basis to ensure pay equity.

As an equal opportunity employer, we do not discriminate against any protected status under state or federal laws.

## HUMAN RIGHTS

We are committed to human rights and have policies in place to discourage illegal labor practices throughout the world. This includes worker health and safety; prevention of discrimination, harassment and retaliation; DEI; working conditions and fair wages; working hours; prevention of human trafficking; freedom of association; and child labor protections. In addition to supporting complying with legislation that protects workers from unscrupulous employers in every jurisdiction where we operate, our commitment to human rights is also reflected in our Code of Conduct and Supplier Code of Conduct.

We expect our suppliers to share our commitment to upholding human rights and commit to reducing environmental impact:

**Our Supplier Code of Conduct is modeled on, and contains language from, the Electronic Industry Code of Conduct.** Recognized standards such as the Universal Declaration of Human Rights (UDHR), and standards issued by organizations such as the International Labor Organization (ILO), Social Accountability International (SAI), and the Ethical Trading Initiative (ETI) were used as references in preparing the code. We require that suppliers implement the code.

**We verify product supply chains and support the efforts of the ILO** in seeking to establish guidelines for developing reliable data on the extent of forced labor and trafficking of adults and children, including developing profiles of victims and risk factors. This enables us to use this data in monitoring the business practices of our suppliers.

**We conduct periodic audits of suppliers.** If we become aware of any actions or conditions that are unacceptable, we may demand corrective measures or terminate our relationship with that supplier.

**Employees are trained at the time of employment and receive materials that set forth the company's expectations to upholding human rights.** Employees and contractors worldwide are expected to discourage illegal labor practices and report any abuses immediately to the company.





# Strengthening Our Communities

Giving back to our communities is an important part of our culture, and our employees help grow our impact through their volunteerism. We believe thriving, resilient communities help support thriving, resilient businesses.

## Employee-Led Volunteerism

The cornerstone of our community engagement is the Murray Community Outreach (MCO), an employee-led program named after our former president, William J. Murray.

The MCO program is designed to help full- and part-time employees voluntarily give back to their communities. Each calendar year, full-time employees may request up to eight hours of paid time off – and four hours paid time off for part-time employees – to perform community service work at a nonprofit organization. In 2023, employees gave their time and talents at local food banks, hosted clean-ups for Earth Day, painted classrooms, and assisted at youth organizations. At our U.S. sites, 66 employees dedicated 450 hours to support their local communities.



Employees celebrated Earth Day by hosting a clean-up at a community park in Industry, California.



Employees in Brownsville, Tennessee, participated in painting a classroom at the Sunny Hill School.



Teknor Apex Chemicals plant in Brownsville achieved working 2,500 days accident free and celebrated with a steak cookout.

## Educating Tomorrow's Workforce

We are committed to helping develop tomorrow's workforce by contributing to their higher education. Our Norman M. Fain College Scholarship Program assists employees' children who plan to continue education in college programs. Annual scholarships are offered for full-time study at an accredited institution of the student's choice. In 2023, 10 children of Teknor Apex employees received \$2,500 scholarships for higher education.

“The employees of Teknor Apex have been unbelievably charitable and supportive through volunteer events, as well as giving of their own treasures.”

Cortney Nicolato,  
CEO, United Way of  
Rhode Island



### Partnering for Impact

Through volunteer and financial contributions from Teknor Apex and our employees, we support several organizations in our communities that are addressing critical social needs.

- In 2023, we partnered with [Mission 22](#), a national nonprofit organization that provides long-term support programs for veterans and their families upon their return home.
- With a long history of service and philanthropy in Rhode Island, Teknor Apex has been involved with [United Way Rhode Island](#) for nearly 100 years, including raising hundreds of thousands of dollars through workplace giving campaigns.
- We expanded our partnership with the [Arbor Day Foundation](#) in 2023 and supported planting trees near our sites across the United States. We even involved people who visited our booth at the Interwire Trade Expo in Atlanta. Attendees who had their badge scanned at our booth had a tree planted in their honor by Teknor Apex.

## 2023 PROGRESS AND HIGHLIGHTS

Through our community outreach program, we are committed to:

**Educating and training tomorrow's workforce to be future leaders**

10 children of Teknor Apex employees received **\$2,500 scholarships for higher education in 2023**

**Empowering our employees to make a meaningful difference in our communities**

Employees receive up to **eight hours of paid time off to perform community service work** at a nonprofit organization of their choice

**Building relationships to amplify our impact in our communities**

Our community collaboration with United Way has endured for **almost 100 years**



# Operating With Accountability and Transparency





# Acting With Integrity and Accountability

Our core values of integrity, respect, and accountability are integral to how we do business and foundational to who we are. We believe that our reputation and trust in our business are earned every day and are key to our success. Our commitment to strong governance is essential to helping our company thrive in the long term.

## BOARD GOVERNANCE

Strong Board governance helps foster resilience, minimize risks, and cultivate quality long-term results and growth.



### Board Structure and Oversight

Our Board of Directors has general oversight of Teknor Apex's management team, business strategies, and related risks and opportunities. Taking into account the relevant interests and input of our shareholders, the Board of Directors advises our CEO and other members of the executive leadership team on the direction of the company's business.

Our Board of Directors regularly discusses key environmental, social, and governance topics as part of its regular agenda. This includes discussions with management on topics including environmental sustainability within our operations, sustainable product offerings within our portfolio, plastic waste, leadership succession, and data privacy, among other topics.



### Board Independence and Diversity

Teknor Apex has a Board of Directors with diverse perspectives, skills sets, and experience. Of our six directors, 50% are independent, and 50% are women.

Our Board is chaired by Jonathan D. Fain, our former CEO and a major shareholder in the company. Fain brings a wealth of knowledge to the chair position, a position he assumed from his father. With more than 50 years as CEO and in the industry, Fain is uniquely suited to oversee the Board's governance oversight of Teknor Apex's strategy. Current CEO Donald Wiseman also is a Board member, acting as liaison to management.



### Management Oversight of Sustainability

At the management level, our CEO oversees the execution of the company's sustainability strategy through regular reporting and discussions on key topics with senior executives and other managers. Each of Teknor Apex's sites and businesses is involved in identifying relevant opportunities, managing risks, and advancing Teknor Apex's sustainability goals. This includes building circular and low-carbon solutions and lowering the company's Scope 1 and 2 emissions. A dedicated senior director is responsible for helping bring together the functional expertise and skills needed to achieve our sustainability objectives, oversee our enterprise risk management, and to transparently report on our progress and results.



# Stakeholder Engagement

We engage regularly with a wide variety of stakeholders, including customers, partners, employees, and suppliers. To help identify the environmental, social, and governance topics most important to our stakeholders, we regularly listen and engage with our stakeholders through both internal and external channels. The following are examples of how we engage:

Stakeholders		How We Engage
	<b>CUSTOMERS</b>	<ul style="list-style-type: none"> <li>• Trade shows and industry events</li> <li>• Customer-facing employees</li> <li>• Social media and corporate website</li> <li>• Webinars</li> <li>• Annual sustainability report</li> </ul>
	<b>EMPLOYEES</b>	<ul style="list-style-type: none"> <li>• Face-to-face meetings with supervisors</li> <li>• EHS meetings</li> <li>• Employee intranet</li> <li>• Performance reviews</li> <li>• Recognition programs</li> <li>• Annual sustainability report</li> </ul>
	<b>COMMUNITIES</b>	<ul style="list-style-type: none"> <li>• Meetings and collaborations with nonprofits, local governments, economic development groups, academia, and others</li> <li>• News monitoring</li> <li>• Employee volunteerism</li> <li>• Website</li> <li>• Social media</li> <li>• Annual sustainability report</li> </ul>
	<b>SUPPLIERS</b>	<ul style="list-style-type: none"> <li>• Supplier Code of Conduct</li> <li>• Industry associations or initiatives</li> </ul>
	<b>INDUSTRY ORGANIZATIONS</b>	<ul style="list-style-type: none"> <li>• Shared initiatives and partnerships</li> <li>• Association meetings</li> <li>• Websites</li> <li>• Social media</li> </ul>
	<b>GOVERNMENTS/ REGULATORS</b>	<ul style="list-style-type: none"> <li>• Product stewardship</li> <li>• Legal and regulatory departments</li> </ul>
	<b>BUSINESS STAKEHOLDERS</b>	<ul style="list-style-type: none"> <li>• News releases</li> <li>• Annual sustainability report</li> </ul>



## Why We Engage

Share up-to-date industry information; learn about needs and goals around sustainable innovation; discuss capabilities; generate ideas for innovation; demonstrate commitment to sustainable practices

Engage employees on business and sustainability strategy; reinforce mission and values; prioritize company culture; communicate learning and development opportunities; emphasize safety and well-being; enhance employee experience

Understand community needs; identify opportunities to amplify positive impact; transparently share progress and performance

Help establish a framework for sustainable and ethical practices in our value chain; reinforce responsible and sustainable processes; find opportunities to collaborate for positive impact

Keep up-to-date with industry trends, risks, and opportunities related to sustainability; share best practices; discuss opportunities to partner for greater impact

Compliance with laws and regulations; transparency

Link sustainability to long-term value; demonstrate commitment to sustainable practices; build confidence by regularly and transparently reporting sustainability milestones and metrics

## Affiliations and Memberships

Collaborating across our industry is crucial to help generate actionable insight and navigate the risks and opportunities created by our society's transition to a more sustainable world. Among our affiliations and memberships:





# Acting Ethically and With Integrity Every Day

We have built 100 years of business success based in no small part on our reputation for doing the right thing. Acting ethically defines who we are as a company and how we do business. We care how we get results. Our employees are expected to hold themselves and one another accountable for operating with integrity and for treating others for respect. We will not tolerate questionable dealings or the violation of laws.

## ETHICS POLICY

Our Ethics Policy has been established to maintain the integrity of the company in dealings between employees as well as customer and supplier relationships. This policy serves as the cornerstone for all our business decisions and is the foundation on which we build our relationships with customers, suppliers, employees, and the communities in which we operate.

Our Ethics Policy outlines our expectations for our employees and guides them on their business conduct, so it is consistent with our ethical standards and core values. It covers topics including avoiding conflicts of interest, anti-harassment and anti-discrimination, and guidelines for professional conduct, employee relationships, and professional courtesies and gifts. It also outlines expectations aligned with quality,

environmental health and safety, and integrity in accounting and marketing. We take steps to ensure all new employees are familiar with the Ethics Policy, which is available in our employee handbook.

Our suppliers also must commit to high standards of ethical conduct and business integrity, and our Supplier Code of Conduct outlines our expectations for labor and human rights, health and safety, environmental impact, and ethics.

## REPORTING VIOLATIONS

We are committed to an environment where open, honest communications are the expectation, not the exception. We strongly encourage employees to speak up if they see any potential violations of company policies or laws. and bring the matter directly





to their supervisor, manager, or a Human Resources representative. Employees, contractors, or suppliers also can report potential violations to a confidential, 24/7 helpline through EthicsPoint, which is staffed by an independent third party. We review all allegations of wrongdoing, and we thoroughly investigate them and take remedial action, if warranted.

### **NON-RETALIATION**

Retaliation for raising concerns in good faith is inconsistent with our company values and is not tolerated. Anyone found to be retaliating against another employee who made a report of violation of law or company policy or cooperated in the investigation of a report of harassment will be disciplined, up to and including termination of employment.

“How we work together connected by our joint values is our competitive advantage, and it starts with all of us.”

Jonathan D. Fain, Teknor Apex Board Chair







[www.teknorapex.com](http://www.teknorapex.com)