2019

Our Sustainability PULSE





Struktol Company of America, LLC

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Who We Are

Struktol Company of America, LLC, founded in 1977, is a member of the Schill+Seilacher Group of companies. Struktol is a manufacturer of specialty chemicals and additives for the rubber, plastics, wood-plastics composites (WPC), and general industries. For decades we've provided customer solutions to achieve more efficient manufacturing operations through better processing, improved ease of manufacturing, decreased mixing times, increased use of recycle content and decreased energy use.



Vision

We strive to be a leading force in the support of change to better our future. To realize this, Struktol has instituted the **PULSE** initiative.



Proactive

Being proactive is in our cultural DNA. Our policies and procedures are designed to bring focus to potential issues and proactively plan for a resolution.

Unified

At Struktol we believe that respect for others is fundamental to everything we do. We follow through on our commitments to customers, suppliers, and each other – no matter what challenges we may face. Without exception, our success is built by our teamwork.

Listen

Hearing what our employees and customers have to say is only the first step. As more concerns arise about the environment, health and safety, and human rights, Struktol listens to the industries' challenges and ideas.

Self-actualization

It is very important to us that Struktol employees feel professionally fulfilled and personally valued, and part of an inclusive organization where they are personally aligned with the larger company mission.

Evaluate, evaluate, evaluate ...

Regular review of policies, actions and results promotes continuous improvement.

A word from our Senior Vice President

Regarding Sustainability...

Struktol Company of America, LLC prides itself in being a "solutions" provider. We strive to aid our customers and the industries we serve by tackling challenging problems and developing solutions that lead to new products. We operate our business under a Quality Management System with a focus on continuous improvement. As a company, we are committed to this same philosophy of continuous

improvement when it comes to our sustainability programs,



including our people, our community, our customers, our products, our suppliers, and our environment. In 2019, we committed additional resources to add more focus on social responsibility, sustainable procurement, health and safety, and environmental impact. Our technical teams focused on the development of new products that enable customers to increase the use of recycle content, reduce odor and volatiles, and oftentimes produce new products from materials that would otherwise be landfilled. We also have new products for reducing cycle times and increasing production throughput, resulting in reduced energy consumption. As we remain focused on continuous improvement, we look forward to engaging more with our employees, customers, suppliers, and the community in order to achieve our future sustainability goals.

Ken J. Hap

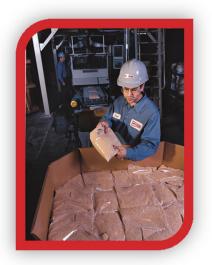
Kenyon L. Harp Senior Vice President



Our People

Our employees are the heart of our operation. Their commitment to Struktol has been displayed time and time again when the company was faced with different challenges throughout the years. We appreciate our employees and their commitment to the company; they are our top priority and we strive to provide a healthy and safe work environment.

Our employees' tenure (*26% of our employees have more than 20 years of service with us*) also displays their commitment and dedication to Struktol. In addition to providing a healthy and safe work environment, Struktol offers an attractive benefits program and a



continual investment in employee training. We strive to be a workplace of choice for our employees

TRAINING is one of our key areas where we have identified a need for improvement. By continuously improving the systematizing of our training process, we aim to decrease internal non-conformances and reduce accident frequency by 10% annually.

Maintain a safe and healthy work environment	2021 target	2019	2018
accident frequency rate (lost time injury events x 200,000 hours worked)	2.53	2.81	2.703

- In 2018 an improved preventative maintenance schedule and replacement parts inventory program was implemented to ensure properly working equipment.
- In 2019 we increased staff dedicated to Health & Safety.
- A new position of Director of EHS and Product Stewardship was added in February 2020 as part of our commitment to the continuous improvement and compliance with all environment, health and safety regulations.
- The majority of lighting in our warehouses is LED. Older lights are replaced with LEDs to provide better lighting for comfort and safety while at the same time reducing energy usage.

- Training of executives on subjects related to regulations and the engagement of their responsibility is ongoing and will be expanded to include pertinent department managers.
- The majority of our technical sales team work remotely providing support (in person when needed) to our customers while at the same time achieving a balance between their homes and working lives.
- Struktol handles the administration of the employee Flexible Spending Account for medical and/or dependent care through BASIC NEO.
- 20% of office employees utilize adjustable standing desks.

Our Products; Our Customers

The expansion of our product line over the years is, in many regards, owed to our customers. They put their trust in us to help solve processing issues as well as improve end product results. A big focus in the Recycling Industry is the ability to utilize varying levels of post-consumer or post-industrial recycled content. Green-oriented innovation is our driving force.





PRODUCT DEVELOPMENT

Our technical specialists, R&D chemists and compound laboratory are dedicated to creating innovative solutions for the ever-changing polymer industry. From high odor/volatile feed streams in recycled applications to strict odor/volatile specifications in automotive and packaging applications – we create solutions that help customers meet new regulations. Our Design and Development process has been designed with sustainability in mind.

The majority of our projects and new products are directly associated with specific customer issues and processes in mind.

Focus on product research and development	2019	2018
Customer driven lab trials (monthly average)	100	118
New products production trials (monthly average)	1.7	2

<u>IN 2019</u>

- A revised regulatory review process was added to varying stages of the approval process for raw materials, new experimental products, as well as for existing products.
- In order to reduce the volume of hazardous waste our QC labs are actively adopting environmentally friendly alternatives to the testing and cleaning agents being used.
- A new position of Senior Chemist was added to the Plastics/WPC lab.
- A new TMI Melt Flow System was added to the Plastics/WPC Lab.

- ChemGes software is utilized for the creation of our GHS compliant SDS (*in 38 languages*) to ensure compliance.
- Environmentally friendly alternatives are considered when sourcing new raw materials. Although these are often more expensive, we consider these products to be a wise investment.
- One of our primary raw materials is manufactured in-house to help reduce outsourcing.
- In 2018 we updated our impact tester to a Tinius Olsen model IT504 impact tester.

Our Environment

Neighbored by the beautiful Cuyahoga Valley National Park, we are graciously reminded of the beauty of nature and the importance to actively preserve that beauty. As a chemical manufacturing facility, we are committed to reducing our environmental impact by focusing on **Energy** and **Water Management**.



ENERGY MANAGEMENT Our goal for energy management is to reduce energy consumption through the strategic application of energy efficient technologies.

Energy consumption reduction	2021 target	2019	2018
Energy (<i>KWH</i>) consumed per pound of product sold.	0.135	0.138	0.139



WATER MANAGEMENT Our goal for managing this natural resource is to reduce our process water consumption through adoption of closed loop cooling systems, as well as administrative techniques to minimize process equipment cleaning.

Water consumption reduction	2021 target	2019	2018
Water (gallons) used per pound of product sold.	0.100	0.105	0.095

- The steel belt coolers of our rotoformers contain a closed water cooling system.
- We continue to transition manufacturing of STRUKTOL[®] 40MS (*homogenizing agent used worldwide in rubber production, primarily for tires*) to our newer, energy efficient manufacturing plant in Villa Rica, GA.
- Fuel mixtures are adjusted seasonally to allow boilers to function more efficiently.
- Our primary manufacturing location in Stow, OH sources electricity that is 27.6% from renewable energy.

- Turret trucks are equipped with energy regeneration/two-fold energy reclamation and effective energy management (3phase AC technology) resulting in lower energy consumption.
- 46% of our lifts are electric.
- All oil and antifreeze from tow motors/lift trucks is recycled.
- Copiers/scanners/fax machines are Energy Star Certified and EPEAT Gold Rated.

Sustainable Procurement

Our commitment is to research and realize progressive ways that focus on ethics and integrity, reflecting a high level of fairness and honesty while prioritizing principles over profit.



Sourcing Sustainably	2021 target	2019	2018
Reduction in office paper usage	5%	2%	N/A
Suppliers sourced locally (75 mile radius)	15%	11%	N/A

- Minimize emissions by sourcing locally and contributing to local economic growth.
- Utilize our own transport truck and distribution for route optimization between warehouses.
- Utilize suppliers that hold certifications and/or are focused on the health and safety of their employees and environment.





Our Community

Struktol is a proud member of its local communities and supports partnerships and initiatives that help build stronger communities for the future.

- Adopt-A-Spot flower sponsor in Cuyahoga Falls, OH since 2008.
- Struktol is a long-standing annual supporter of The Cleveland Orchestra whose summer home is at Blossom Music Center (*located less than 4 miles from Struktol*).
- Gift cards from a local grocery establishment are distributed to each employee during the holidays and other special occasions.
- Our location is near neighborhoods and schools and therefore we have an organic vapor filtration system to reduce odors related to our manufacturing.
- Our Director of EHS and Products Stewardship is the longest standing board member of REWORKS, a local organization offering single stream recycling program guidelines.