



# PROSPERITY WITH A PURPOSE

## LIVING BY THE HUBER PRINCIPLES 2021 ANNUAL REPORT



# ESG Goals as Our North Star

A MESSAGE FROM GRETCHEN MCCLAIN,  
PRESIDENT & CEO OF J.M. HUBER CORPORATION

Since my first day as Huber's President & CEO on April 1, 2022, I was excited about the opportunity to meet and listen to employees at their workplaces around the world. In my visits to plants and offices, and events such as the 2022 Huber Global Sustainability Summit, I've enjoyed learning about the breadth of incredible work Huber people are doing to identify opportunities for sustainability-related efficiencies and improvements. It is crystal clear to me that the excellence in our people has led to excellence in business execution, which is a hallmark of this Company.

Having had the fortunate opportunity to work with the J.M. Huber Corporation and the Huber family as a director on the Huber Corporate Board since 2016, combined with my previous CEO experience and extensive background as a director on the boards of other large enterprises, I know what a top quartile portfolio company looks like and fully appreciate the strengths and advantages of a private, family-owned corporation.

Under the leadership of former President & CEO Mike Marberry, Huber made progress on our Environmental, Social & Governance (ESG) goals last year. The Company installed its first renewable solar energy project and 44% of Huber sites met our Zero Waste-to-Landfill threshold, among other achievements. With extensive Huber stakeholder input, we completed a comprehensive Materiality Assessment that has clarified our aspirations for the next generation of Huber's Sustainability Strategy.

The Company also received third-party recognition for its sustainability efforts to date. In June of 2021, Huber received the 2020 IMD-Pictet Sustainability in Family Business Award, a prestigious honor



**"It is crystal clear to me that the excellence in our people has led to excellence in business execution, which is a hallmark of this Company."**

acknowledging global family-owned enterprises that excel in their corporate sustainability practices. Huber was also named to Deloitte's list of US Best Managed Companies for the third year in a row.

We are proud of all we have accomplished over the past year and are excited to share our story. This 11th edition of the *Living by the Huber Principles* Annual Report is structured based on ESG areas of focus as we move toward alignment with the Global Reporting Initiative's (GRI) standards on economic, environmental and social performance, as well the United Nations Sustainable Development Goals (UNSDGs).

In the following pages, you will see how, with our ESG goals as our North Star, our innovative teams are working to build a better, more sustainable Huber—and world—for future generations.

A handwritten signature in black ink, appearing to read "Gretchen McClain".

# Table of Contents



Employees at the Huber Engineered Materials site in Marblehead, Illinois, produce alumina trihydrate for flame retardants and smoke suppressants for use in plastic and rubber products.

## MESSAGE FROM CEO GRETCHEN MCCLAIN.....1

## ABOUT HUBER.....3

- Financial Performance
- Portfolio of Businesses
- Growth & Innovation
- Sustainability Journey

## ENVIRONMENTAL.....19

- Planet
- Climate & Water Strategy
- Circularity

## SOCIAL.....27

- Nurturing Talent
- Product Commercialization with Societal Benefits
- Safety, Health & Well-Being
- Product Safety & Quality
- Huber Helps
- Diversity, Equity & Inclusion

## GOVERNANCE.....45

- Compliance
- Capital Deployment
- Risk Management
- Principles in Action

## RECOGNITION.....58

- IMD-Pictet Sustainability in Family Business Award
- Best Managed Companies Award
- Outstanding EHS&S Awards
- Mike Huber Awards

## APPENDIX.....64

- Reporting Platforms
- ESG-Related Metrics
- Huber Locations

# About Huber

IMPROVING TODAY FOR A BETTER TOMORROW



**Combining imagination, inspiration and innovation,** J.M. Huber Corporation enhances the performance of thousands of consumer and industrial products around the world. From our founding in 1883 by Joseph Maria Huber as a dry colors company, Huber has grown from a single dry color plant in Brooklyn, New York, into a diversified manufacturer with operations on five continents. With \$3 billion in revenue in 2021, Huber is one of the largest private, family-owned companies in the United States.

### THE HUBER PRINCIPLES

As we continue to transform and improve products used around the world, the Huber Principles serve as the foundation for how our employees conduct business.

The Huber family, now in their sixth generation in the US, embraces their responsibility to continue the profitable growth and success of the Company in accordance with these Principles.

As the bedrock of our culture, the Huber Principles inspire employees to support our customers, help one another and ensure that the enterprise remains a positive force in the world for generations to come.

More than 4,300 employees—including 400 who joined the Company during 2021—are drawn together by Huber's unique culture, working to manufacture products used by millions of people and committing to be a good neighbor in the over 45 communities in the nearly 20 countries where we operate.



#### EH&S SUSTAINABILITY



World-class safety and environmental performance.

#### ETHICAL BEHAVIOR



A company identity that we are all proud of.

#### EXCELLENCE



Competitive advantage through customer intimacy and operational excellence.

#### RESPECT FOR PEOPLE



Great place to work for honesty, respect, teamwork and recognition.

### HUBER'S INITIATIVES AND PROGRAMS

The Huber Principles define our culture and align with the core values of the Huber family, ensuring that everything we do is for the benefit of our colleagues, customers and the communities in which we conduct business. We maintain the high standards we have set for ourselves and our Company through the following initiatives and programs:



#### Huber Helps®

In our global commitment to community engagement, Huber Helps donates 1% of the Company's operating net income annually toward doing good to ensure we make a significant, collective impact.



#### I Belong at Huber®

Our DE&I vision is to foster an inclusive workplace that respects differences and promotes equitable access to opportunity, where every employee around the world feels like they belong and are valued.



#### Principles in Action

Since 1999, this ethics program has articulated the standards for employee behavior, which are based on the Huber Principles, and helped identify risk areas that workers may come across in their jobs.

# Huber's 2021 Financial Performance

## CONTINUED RECORD-BREAKING EXECUTION

“Huber’s portfolio of diversified specialty businesses enables us to balance risk over many different end markets, product lines and geographies. Because of this long-held strategy, 2021 was the best year of total business performance in Huber’s history. With the Huber Principles guiding our actions—from innovation to M&A to the myriad elements of ESG—we have truly entered an era of prosperity with purpose.”



**Jeff Prosinski**  
Executive Vice President &  
Chief Financial Officer

TOTAL  
REVENUE  
**\$3.35B**  
↑ 37.9% VS. 2020

**Revenue** is the total amount of money brought in by a company’s operations. Huber again benefited from diversification by having three businesses that participate in very different end markets. Many of our product segments delivered impressive year-over-year growth in 2021. These include volume growth for food and beverage ingredients, household applications, building construction products and crop aids.

ROIC  
**32.7%**  
27.5% over the  
hurdle rate

**Return on Invested Capital (ROIC)** is an expression of business profitability performance. The goal is to deliver ROIC results that exceed Huber’s investment hurdle rate, which is the minimum rate of return on a project required to make the investment worthwhile (currently about 7% on an after-tax basis).

CAPEX  
**\$238M**

**Capital Expenditures (CapEx)** is an expression of our commitment to reinvest in the business. Our capital spending for value-sustaining activities (repair and maintenance) has been averaging a little under \$70 million annually. The balance of our funding each year has been for multi-year value-added initiatives designed to increase productivity and production capacity, lower our cost position, and enhance occupational and process safety, improve our environmental footprint and strengthen Huber’s competitive capabilities. In aggregate, Huber deployed nearly \$240 million for internal plant capital projects in 2021—making it our largest annual spending program in over a decade.

PLOWBACK  
RATIO  
**26%**

The **plowback ratio** is an expression of reinvestment, as well as good governance. The plowback ratio is how much of our earnings are reinvested back into the business for future growth. Huber's ratio remains robust for new growth and innovation.

R&D  
INVESTMENT  
**\$31.7M**  
0.9% of revenue

**Research & Development (R&D)** is an important way Huber purposefully reinvests in its portfolio to fund new growth. Our approach to innovation is to partner with our customers and end markets to develop solutions that give them—and therefore us—a long-term competitive advantage.

NEW PRODUCT  
SALES  
**13.5%**  
of total revenue  
▲ \$125M VS. 2020

**New product sales** are another expression of innovation. Holding steady at 13.5% of total revenue since 2020, the value of the new products sales rose by \$125.3 million to a total of \$416 million for 2021. This reflects the success of Huber's increased emphasis on delivering innovative solutions to meet the needs of our customers—and their end customers.

TBL CAPITAL  
PROJECTS  
**95%**  
of major capital  
project spend had TBL  
characteristics

**Capital deployment decision-making** represents one of the most important responsibilities for Management and the Board. Consistent with one of the metrics in Huber's Sustainability Strategy, Huber's Finance and Sustainability teams used an innovative process they developed in 2020 to quantitatively assess the sustainability attributes of major capital projects using the Triple Bottom Line (TBL, People, Planet & Profit) framework. In 2021, 95% of our CapEx projects (by cost) are expected to improve employee safety, the environment and our financial results.

MERGERS &  
ACQUISITIONS  
**\$334M**

Huber completed **four strategic acquisitions** in 2021, three of which are being integrated into Huber Engineered Materials—Nutri Granulations in La Mirada, California, Natural Soda in Rifle, Colorado, and MAGNIFIN in Breitenau, Austria (acquiring 100% ownership of what was a 50% joint venture)—and Sewall Forestry and Natural Resource Consulting in Old Town, Maine, to expand Huber Resources Corp.

COMMUNITY  
ENGAGEMENT/  
PHILANTHROPY  
**1%**  
of adjusted net income  
donated through  
Huber Helps

To have a **positive community impact**, the Huber Helps corporate philanthropy program is overseeing aggregate donations that amount to 1% of our adjusted Corporate net income annually. As part of our commitment to community engagement, J.M. Huber Corporation donated \$6.9 million to charitable causes around the world in 2021.

# Huber's Portfolio of Businesses

## A FAMILY OF SOLUTIONS

**The J.M. Huber Corporation** operates as a Portfolio Management Company (PMC). This structure gives our diverse businesses the autonomy to manage their operations to serve their customers while offering the benefits of being part of a large, global and multigenerational family company. Huber develops and manufactures innovative products and services across a broad range of industries served by its portfolio businesses: CP Kelco, Huber Engineered Materials (HEM), Huber Engineered Woods LLC (HEW) and Huber Resources Corp (HRC).



A HUBER COMPANY

### Nature-powered ingredients with impact

With its unique portfolio of nature-powered ingredients, CP Kelco collaborates with customers globally to formulate innovative food, beverage, personal care, home care and industrial products that meet evolving market needs and consumer preferences. With roots dating back to 1929, CP Kelco was acquired by Huber in 2004.



### High performance building envelope solutions

Founded in 1983, HEW is an innovative developer of products for residential and commercial construction—including AdvanTech® subflooring and subfloor adhesive, ZIP System® roof and wall sheathing and tape, and EXACORT™ magnesium oxide panels—that provide US builders with improved performance, easy installation and greater strength.



HUBER ENGINEERED MATERIALS

### Specialty ingredients for industrial, agricultural and consumer applications

With three distinct business units—Huber Advanced Materials, Huber AgroSolutions and Huber Specialty Minerals—Huber Engineered Materials produces high-quality, specialty additives designed to enhance the performance, appeal and processing of a broad range of products used in industrial, agricultural and consumer applications. HEM traces its origins back to 1946.



HUBER RESOURCES CORP

### Sustainable solutions for forest stewardship

Using sustainable forestry practices, HRC ensures the responsible stewardship of timberlands it manages for third-party landowners in the US. Huber's history with timberland management goes back to 1941, when the Company acquired its first tract of land in Maine.

## INDUSTRY IMPACT

Each of Huber's portfolio businesses hold leadership positions in rapidly growing markets and partner with our customers to deliver the right products and services to suit their needs. Here are some of the many areas that Huber businesses serve:

- Agricultural fertilizers and adjuvants
- Animal care and nutrition
- Beverages
- Building products
- Cosmetics
- Flame retardants
- Food
- Forest certification
- Household products
- Industrial applications
- Land management
- Mining
- Nutrition
- Oil field drilling
- Paints and coatings
- Paper
- Personal care
- Pharmaceuticals
- Wire and cable



Our commitment to providing a world-class customer experience is integral to our strategy, particularly when faced with the current challenges of inflation, supply chain issues and the pandemic. CP Kelco's innovative, high-performance solutions and technical expertise, along with our continued focus on ESG goals including Diversity, Equity & Inclusion, allow us to partner with customers in reaching their growth objectives and achieving success.

**Didier Viala**  
President, CP Kelco



HUBER ENGINEERED MATERIALS

HEM is designed to incubate and grow a portfolio of small to mid-sized companies that deliver solid, steady performance to the Huber enterprise. Centralized governance frameworks enable us to leverage HEM's broader scale and support to these platforms while consistently applying the Huber Principles across the strategic business units. This provides a strong foundation for such ESG initiatives as Diversity, Equity & Inclusion, reducing our carbon footprint and innovation.

**Dan Krawczyk**  
President, Huber Engineered Materials



At HEW, we have a tradition of strong, responsible building. We strive to deliver high-performance building envelope solutions produced with minimal impact to the environment that make homes more resilient to the effects of our ever-changing climate. To meet these challenges, we're developing a diverse, dynamic team committed to solving customer problems with innovative products and a goal of helping to build safer, more sustainable communities.

**Brian Carlson**  
President, Huber Engineered Woods



# Growth & Innovation

## ADVANCING HUBER'S PORTFOLIO OF SOLUTIONS

**At Huber, employees in every function** have a role to play in achieving profitable growth through innovation. We do not limit our efforts to a product portfolio perspective. We ask ourselves questions like: What's the best way for us to find and nurture talent? How can our products and processes imitate nature while minimally impacting natural systems? Who has the expertise to enable us to respond quickly, effectively and empathetically to a crisis? What intellectual property rights will best protect our innovations? How could this Merger & Acquisition (M&A) candidate company expand the technologies and solutions we offer to our customers?

Innovation is a fundamental focus at Huber. Coupled with customer centricity, innovation drives our competitive advantages and enables us to stay ahead of market shifts. The Management Board of each portfolio business has designated an Innovation Lead Director to work with the management team more closely on innovation pipeline projects and new product commercialization issues.

### PATENTS & TRADEMARKS

In many cases, Huber protects an innovation as a trade secret, with an Information Protection Policy that guides employees on proper procedure. When

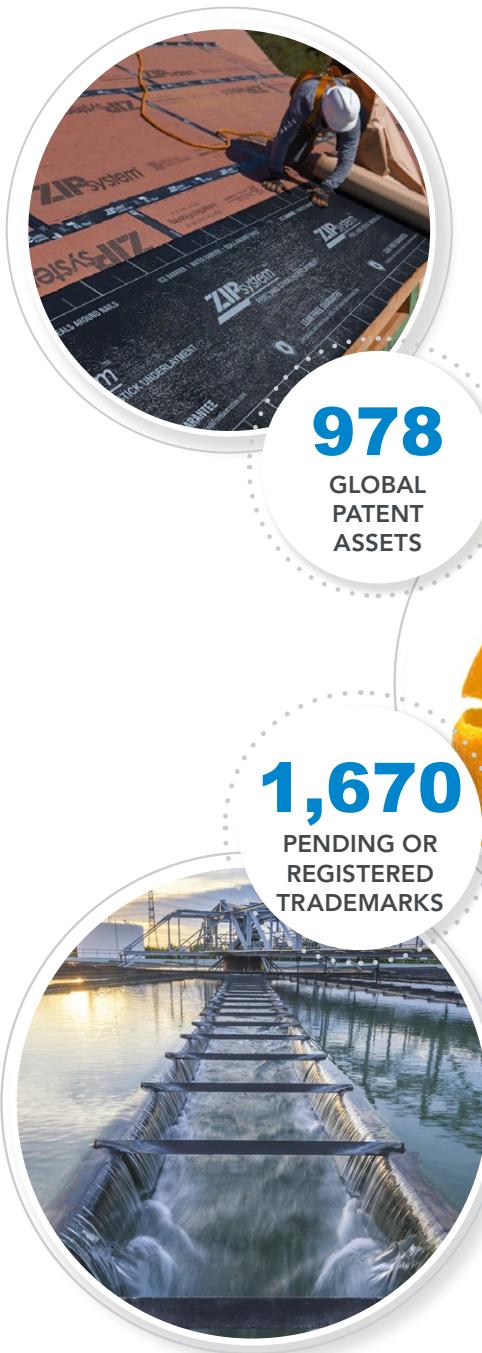
**“Innovation is at the heart of our commitment to ESG and our expression of the Huber Principle of Excellence. In addition to the organic growth that we gain from reinvesting in our businesses, we have a diligent M&A process that has brought new talent and technologies to Huber, expanding the ways in which we can help our customers offer quality products that are safer, more sustainable and meet the needs of their customers.”**



**Vivek Dhir**  
EVP, Corporate Strategy &  
Business Development

appropriate, Huber protects innovation by filing patents based on many factors that are discussed during the patent evaluation process with experts from Huber's Research & Development, Marketing and Legal functions. This process continues during the 20-year life of a patent to ensure that Huber is effectively deploying its capital.

At the end of 2021, Huber had 978 global patent assets, either pending or granted. The Company actively manages its patent portfolio; the number changes daily as records are created, expired or closed. Huber also actively manages the goodwill from its businesses and their innovations by monitoring and protecting its 1,670 pending or registered trademarks around the world.

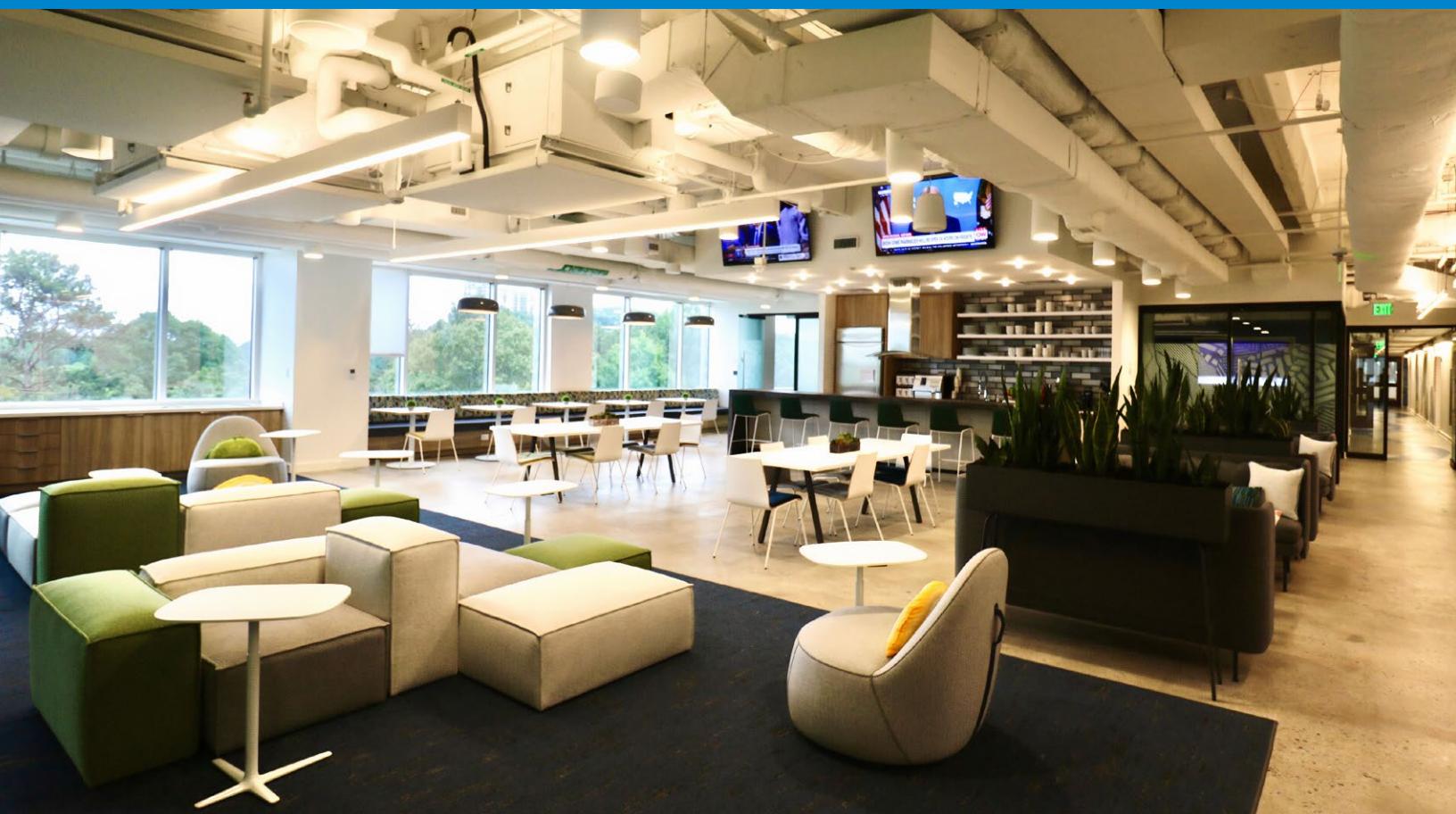


HEW implemented a next-generation tongue and groove system for the AdvanTech® product line to improve panel performance when roof systems are exposed to moisture on the jobsite during construction. HEW also developed ZIP System™ Vapor Permeable Tape and ZIP System™ Peel and Stick Underlayment to enhance product performance.



In just two examples of new product commercialization results in 2021 over 2020, revenues increased tenfold for CP Kelco's NUTRAVA™ Citrus Fiber, made from sustainably sourced citrus peel, and sales of fermentation-derived cellulose tripled.

HEM's Huber Advanced Materials strategic business unit is developing comprehensive strategies for all its product lines, including exploring new applications in batteries, tires, water treatment and thermo management solutions, and identifying new opportunities for the Safire™ line of nitrogen-phosphorus flame retardant products.



The new 24,000 square-foot (2,230 square meter) Innovation Center in Atlanta is located on the third floor of the building that hosts the CP Kelco headquarters.

## ENGAGING CUSTOMERS

CP Kelco completed a world-class Innovation Center in Atlanta, Georgia, featuring labs devoted to microbiology, fermentation science, and consumer and industrial applications development. The center also houses research and development labs, a food and beverage pilot plant to support customers with production scale-up, and a sensory evaluation space to conduct studies for understanding consumer perceptions and preferences. In 2021, the team hosted 27 joint sessions at the new center with Growth Partners—fast-growing, highly innovative, on-trend customers who particularly value CP Kelco's innovation capabilities.

HEW formed an Expert Panel to facilitate rapid feedback of confidential new product concepts

and prototypes. This diverse group of 10 leading builders and influencers in single-family residential construction has already advised HEW on the co-creation of new ideas and evaluation of top new product concepts for several product lines.

CP Kelco and HEM implemented a shared Innovation Management solution using Accolade® software. The cross-business team's project dashboards help prioritize projects, balancing sustainability risks and opportunities along with feasibility, meeting customer needs and profitability.

## COMPETITIVE ADVANTAGE

Last year, HEM filed more trademarks and priority patents to protect new inventions than any other business in the Huber portfolio, including 81 trademarks, four priority patents and 30 non-priority patents worldwide for the Huber Advanced Materials (HAM) strategic business unit (SBU).

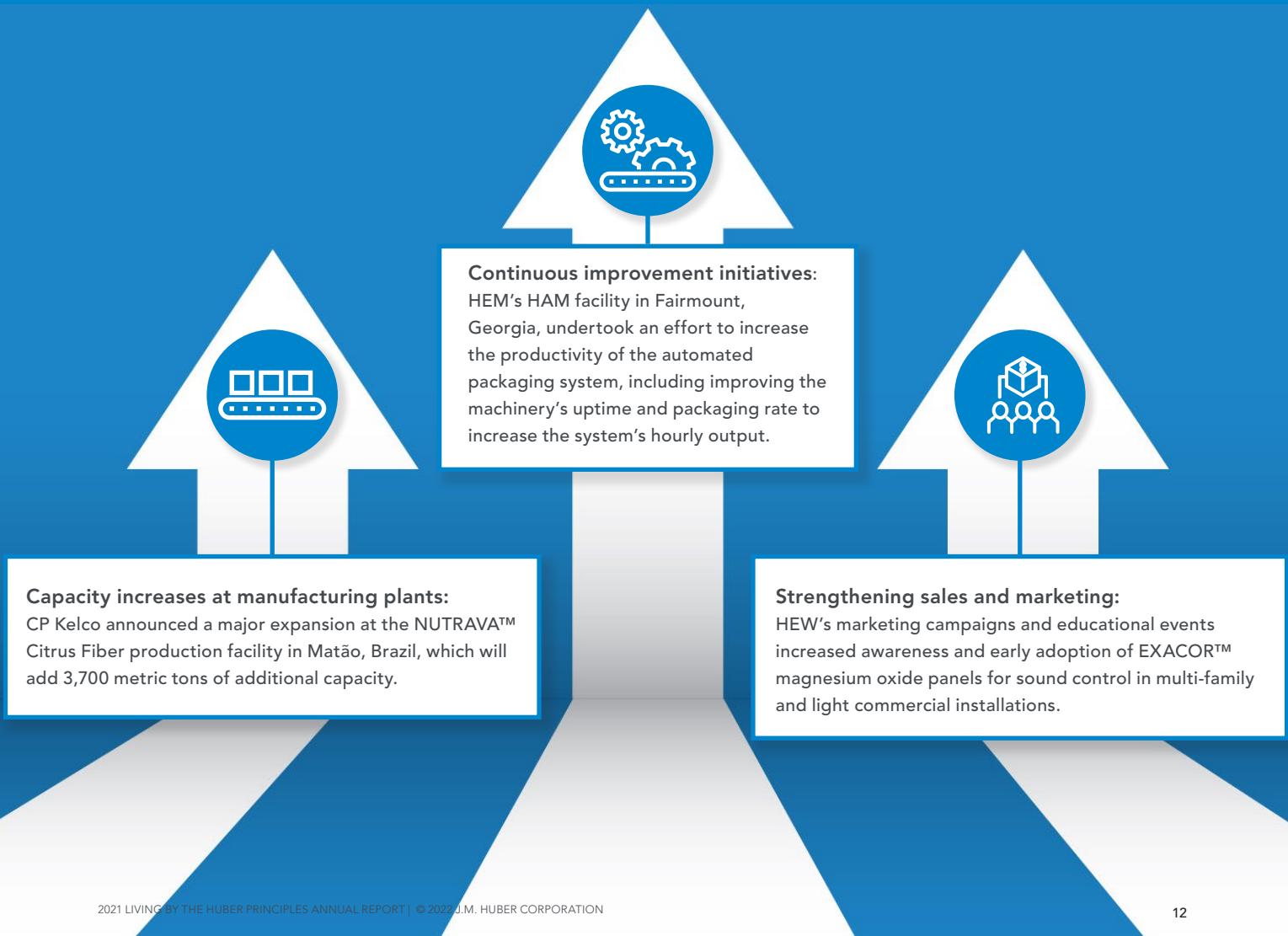
CP Kelco began the fifth year of production for its patent-protected citrus peel drying process at the peel facility in Matão, Brazil. Using a proprietary technology to process citrus peel, this plant supplies raw materials for CP Kelco's pectin manufacturing facilities in Europe. The Matão site also includes a

batch plant for CP Kelco's NUTRAVA™ Citrus Fiber, a product line that provides structure and stability in food applications, while being a clean label-friendly alternative to traditional starches and gums.

In order to deliver winning customer solutions, HEW is building capabilities in five key areas: hiring and training diverse talent, identifying customer pain points, sourcing and selecting innovative ideas from employees, rapid prototyping at HEW's expanded Innovation Center in Commerce, Georgia, and collaborating with partners on innovation projects.

## ORGANIC GROWTH

Huber executed a record organic capital deployment program designed to strengthen the long-term competitive position of Huber's existing portfolio businesses. Projects included:



La Mirada, California

As a private enterprise, Huber plans for the long term when considering investments related to Mergers & Acquisitions (M&A). Evaluation criteria include the prospective organization's ESG philosophy, harmony with the Huber Principles and core family values, defensibility of its market position, a clear competitive advantage and potential for continued growth and innovation. Huber completed four strategic acquisitions in 2021.

### **Huber Engineered Materials**

These three acquisitions help to advance HEM's mission to build a diverse portfolio of small- to medium-sized chemical and mineral businesses:

**Nutri Granulations, La Mirada, California —** Provides additional Nutrition calcium carbonate products to HEM's Huber Specialty Minerals strategic business unit. Having a Nutrition presence on the West Coast of the US will also help optimize freight, shipping and other logistics to improve HEM's overall Nutrition capabilities.

*(Transaction closed effective April 1.)*

**Natural Soda, Rifle, Colorado —** Aligns well with Huber's overall economic, strategic and sustainability goals. This addition to the HSM SBU is a key producer of sodium bicarbonate, also known as baking soda, sold primarily as a bovine digestion

aid that reduces methane.

Other end markets include food and beverage, and personal care goods.

*(Transaction closed effective December 31.)*

**MAGNIFIN, Breitenau, Austria —** Provides the Huber Advanced Materials SBU with magnesium hydroxide, which has tremendous market potential given key macro trends related to e-mobility, 5G technology and evolving construction regulations. Acquiring a 100% ownership of what was a 50% joint venture empowers HEM to chart its growth strategy for MAGNIFIN.

*(Transaction closed effective December 31.)*

### **Huber Resources Corp**

**Sewall Forestry and Natural Resource Consulting, Old Town, Maine —** The acquisition of Sewall Forestry & Natural Resources Consulting (SFNR) expands HRC's capabilities globally in such key service areas as timberland appraisals, forest inventory management and forest modeling.

SFNR's extensive industry contacts increase HRC's timberland management marketing capabilities, strengthening Huber's ability to maintain and sustainably manage timberland holdings.

*(Transaction closed effective August 2.)*

Huber tries to fully understand and validate the ESG characteristics of any M&A opportunity—a crucial component during the due diligence processes. These newly acquired organizations are committed to employee health and safety, ethics, environmental footprint and DE&I and are open to furthering our Sustainability Strategy and engaging in our various initiatives. Any challenges identified during the vetting process would be managed through a comprehensive mitigation plan once a business joins Huber.



# Our Sustainability Journey

## THE WAY FORWARD

**Guided by our Principles** and supported by a standing Environment, Health, Safety & Sustainability (EHS&S) Committee of the Huber Corporate Board of Directors, Huber continues to take significant steps on its journey to become an ever more sustainable enterprise.

Huber's commitment to responsible stewardship reaches back to the 1950s, long before sustainability was a concern for many companies. Our early efforts included erecting levies around settling ponds and installing filters and dust collectors in our plants. The now-divested Kaolin business implemented land reclamation projects that turned abandoned mines into fields, woodlands and ponds.

Meanwhile, the Timber business—the forerunner of today's Huber Resources Corp—was a pioneer in selective timber harvesting, as opposed to clear

cutting, which enabled forests to regenerate faster and to optimize wildlife habitat management. Our managed forests also provide increased carbon uptake compared to natural forests.

The Huber family is passionate about sustainability. Former CEO Mike Huber was a co-founder of the Monmouth Conservation Foundation in New Jersey, and the family donated several parcels to the Foundation, the largest of which is known as Huber Woods Park. From the 1940s through 2012, Huber owned vast tracts of timberland from Maine to Missouri. As the company divested its landholdings, it donated parcels with significant ecological value to many conservation organizations, including the Nature Conservancy, Fall Creek Falls State Park in Tennessee and Baxter State Park in Maine.

A view of Katahdin Lake, where Huber donated land to Baxter State Park 10 years ago to keep it pristine for decades to come.



## SUSTAINABILITY STRATEGY

Although sustainability has been embedded in our company culture for a very long time, in 2017 we reinforced this commitment through Huber's first comprehensive strategy. Huber's 2018-2022 Sustainability Strategy is based on a Triple Bottom Line framework that prioritizes People, Planet & Profit in all critical business decisions.

In October 2021, Huber held a virtual sustainability event to set the foundation for the 2022 Huber Global Sustainability Summit in Atlanta, Georgia. The April 2022 Summit brought together over 250 employees from around the world, representing each portfolio business and multiple functions. The attendees delved into three days of educational, inspirational and thought-provoking workshops and presentations to help the Company develop its next five-year Sustainability Strategy.

We conducted internal training on our Sustainability Strategy—specifically on our environmental intensity-based metrics for energy, water and carbon. In 2021, 78% of our workforce received training on environmental issues. Huber also held external training sessions for some of our key stakeholders, such as distributors in Europe and North America, so they could learn how we're building sustainability into our product portfolio.



B

A "B" rating indicates a company is managing its overall environmental impacts and the risks and opportunities related to them

While Huber made tangible progress on its sustainability initiatives over the past five years, there is still work to be done to achieve the lofty goals we've set for ourselves and the expectations of the Huber family and our external stakeholders.

As a testament to our sustainability efforts to date, Huber maintained a "B" rating on the CDP, a globally recognized platform for climate change awareness and action, which signifies that the organization is taking coordinated and appropriate action on climate issues. Huber's score aligns with the average performance of the chemical industry ("B") and exceeds North American businesses as a whole ("C").

Huber also improved to a "Silver" level in EcoVadis, up from "Bronze" in 2020, which means we are now among the top 25% of company's assessed by this highly regarded ESG ratings platform. EcoVadis examines all aspects of a company's ESG performance, as well as how a company communicates its progress.



## MATERIALITY ASSESSMENT

In preparation for its next five-year Sustainability Strategy, the Company completed an ESG Materiality Assessment in 2020 to identify key aspects of sustainability that are most relevant for how Huber will conduct business. This process involved obtaining critical input from customers, trade associations, leading ESG-rated companies, the Board of Directors, members of the Huber

family, and our own leaders and employees. These values and priorities provide competitive differentiation and offer Huber the greatest opportunity to make a positive impact.

The results helped guide focus on five strategic priorities that align with the Huber Principles:



**INNOVATION**

Development and use of emerging technologies, products, solutions, and applications that transform business operations and the way people live. This includes business model innovation, product market penetration and adoption, intellectual property protection, etc.



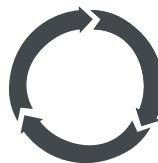
**CLIMATE AND WATER STRATEGY**

Physical risks (e.g., extreme weather patterns and changing global temperature) and transition risks (e.g., policy changes that influence energy and fuel sourcing) and opportunities presented by climate change and the transition to a low-carbon economy (e.g., electric vehicles), as well as adaptation and resilience measures adopted. This includes greenhouse gas (GHG) emissions, energy use, renewable energy as well as water-related topics such as water stress, sea-level rise, etc.



**DE&I**

Diversity, Equity & Inclusion encompasses the processes, practices and behaviors that support the active integration and fair treatment of all employees as we create a culture that welcomes and invites different backgrounds and perspectives to achieve the best performance for the organization. Equally important is having a diverse and inclusive culture that sustains a strong talent pipeline, keeps our current workforce engaged, attracts future employees and contributes to the communities where we work and live. Our Company engages employees through the I Belong at Huber initiative, which ensures every employee feels accepted, respected and that they belong.



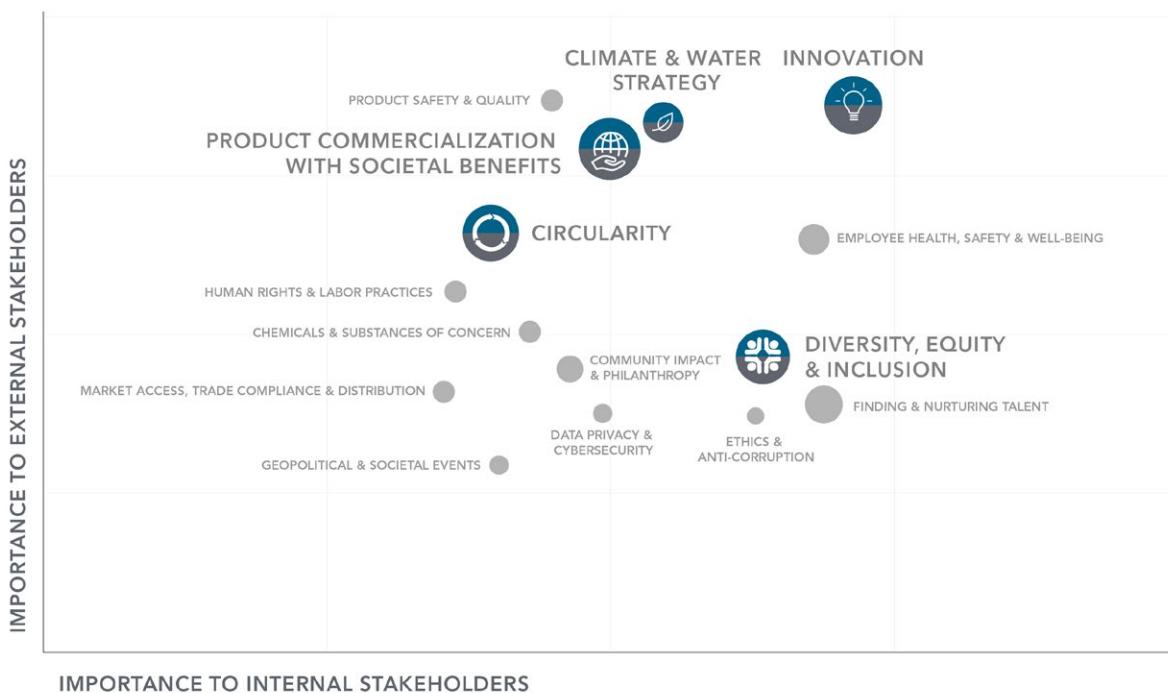
**CIRCULARITY**

Ethical and sustainable use of resources across the product lifecycle from raw material sourcing to production processes to product end-of-life across the entire value chain. This includes supply chain risks and risk management, product lifecycle assessments, recycled and recyclable materials, zero waste operations, sustainable forestry, biodiversity impact, etc.



**PRODUCT COMMERCIALIZATION WITH SOCIETAL BENEFITS**

Development and commercialization of Huber's product portfolio and growth of associated markets to the benefit of the environment, society and communities. This includes residential home resiliency and fire safety, alternative proteins and healthy diets, health care products, enabling new technologies such as the electric vehicle industry, etc.



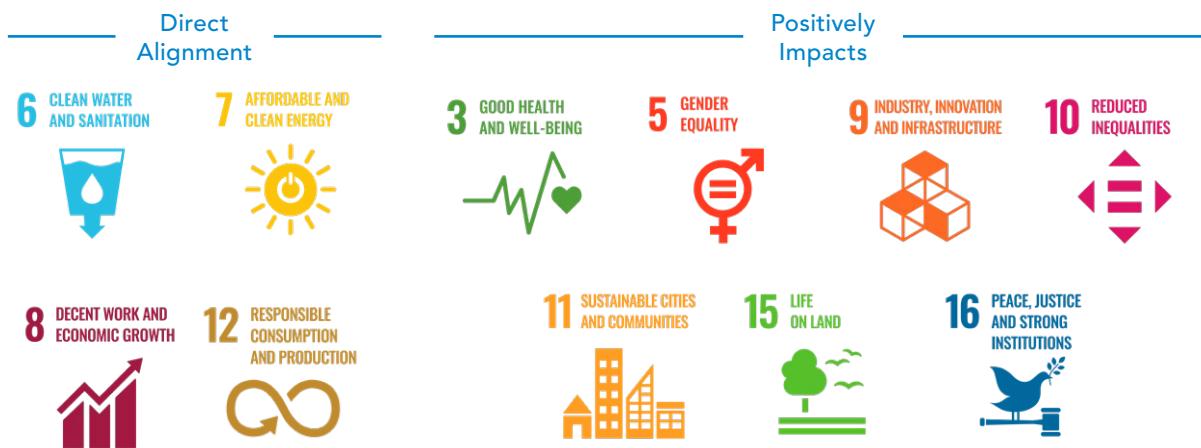
Huber's Materiality Matrix plots the strategic areas of focus identified by the 2020 ESG Materiality Assessment. From the top five priorities to the 10 other aspects, *Living by the Huber Principles* discusses what actions Huber is taking to address these areas of importance. Other topics raised during the materiality study as worthy of focus:

<b>EMPLOYEE HEALTH, SAFETY &amp; WELL-BEING</b>	Health and safety in the workplace, with a focus on primary risk prevention. This topic also considered the mental and physical condition of employees with respect to their health, happiness, comfort and morale, work-life balance, as well as occupational health and safety, process safety, workplace hazards and risks, etc.
<b>PRODUCT SAFETY &amp; QUALITY</b>	Initiatives, procedures and staff training to ensure product quality and the safety of customers and end consumers, including considerations regarding product ingredients and their potential near- and longer-term effects on customer health. This includes quality procedures, customer health and safety, product certifications, as well as product and service information transparency.
<b>COMMUNITY IMPACT &amp; PHILANTHROPY</b>	Business practices and projects carried out to ensure the economic and physical well-being and positive development of communities with which a company interacts. Our Company pursues these goals through the Huber Helps initiative.
<b>FINDING &amp; NURTURING TALENT</b>	Practices, initiatives and processes aimed at recruiting, engaging, managing, leading and retaining the talent needed to build a skilled workforce and boost business growth. This includes training and development, employee benefits, corporate culture, etc.
<b>ETHICS &amp; ANTI-CORRUPTION</b>	Upholding the guidelines or codes that dictate fair, ethical and moral conduct. This includes business ethics, fraud, bribery, etc. Our Company engages employees in addressing these issues through the Principles in Action program.
<b>CHEMICALS &amp; SUBSTANCES OF CONCERN</b>	Substances and materials used in the company's operations or present in its products that pose a threat to human health or the environment. This includes hazardous materials, chemicals safety, controversial ingredients, etc.

<b>DATA PRIVACY &amp; CYBERSECURITY</b>	Protecting company, supplier and customer information systems from security breaches and other technology failures. This includes cyber threats, privacy breaches, IT disruption, loss or upsets of process-controlled systems, etc.
<b>HUMAN RIGHTS &amp; LABOR PRACTICES</b>	The fundamental rights and freedoms inherent to all human beings that ensure they are able to live with dignity, freedom, equality, justice and peace, and the measures necessary to uphold these rights. Also refers to the legal rights and fundamental standards that regulate labor relations between the company and employees, including stipulations of employment, working conditions, the right to collective bargaining, etc.
<b>MARKET ACCESS, TRADE COMPLIANCE &amp; DISTRIBUTION</b>	Upholding the guidelines or codes that dictate fair, ethical and moral conduct. This includes free trade, economic sanctions, logistics and distribution planning.
<b>GEOPOLITICAL &amp; SOCIETAL EVENTS</b>	Economic, political and societal pressures that may pose risks to the company if not handled appropriately by national or subnational governments or agencies. It also encompasses the relationship between the company and governments/ officials and the practices adopted to influence public policy. This includes public policy practices, armed conflict, social movements, civil unrest, etc.

Huber's Sustainability Strategy aligns with a global set of objectives, the United Nations Sustainable Development Goals, known as the UNSDGs. This globally recognized set of goals is used by leading sustainable companies to substantiate and communicate how their initiatives are part of a worldwide effort to make progress on these critical objectives. Our strategy directly aligns with four of these goals through our own sustainability objectives. We also positively impact an additional seven UNSDGs through our business practices, policies and procedures. Set to be launched in 2023, Huber's next Sustainability Strategy will also be informed by and aligned with the UNSDGs.

## SUSTAINABLE DEVELOPMENT GOALS





# ENVIRONMENTAL

## SAFEGUARDING OUR PLANET

Fulfilling our goal to improve today for a better tomorrow requires us to be responsible stewards of the environment, dedicated to leaving a light footprint and preserving ecosystems for future generations. One of the cornerstones of our Sustainability Strategy's approach and codified in our Environmental Health & Safety (EH&S) Sustainability Principle, protecting our planet is a part of our legacy. Owned by a multi-generational family, we've been committed to environmental sustainability for generations. But this dedication to protecting our planet and our communities has never been more critical than it is today.

**“As a company with a strong sense of social purpose, we understand that our future success is intertwined with the health of our environment.**

**Sustainability is a journey, and we are fully committed to taking a long-term view that focuses on areas where it matters most to our internal and external stakeholders. This involves making changes to our own operations and supply chain to ensure the products we make are more sustainable, so we can do our part to protect the environment today, tomorrow and beyond.”**



**Don Young**  
Executive Vice President &  
Chief Sustainability Officer



Our approach to environmental **sustainability performance** is based on developing and using emerging technologies and innovations to:



Lighten our impact on the planet.



Minimize climate- and water-related risks.



Utilize resources responsibly across the product lifecycle with an emphasis on the use of ethical and sustainable practices.

In 2021, Huber reduced the amount of energy, water and CO<sub>2</sub> used per metric ton of production. We further improved our environmental footprint by utilizing more energy derived from renewable sources and, through our commitment to operational excellence, by diverting 19% more waste from landfills in 2021 compared to 2020.

Preserving water in our operations is critical to Huber's efforts toward protecting our environment. Our resource efficiency hierarchy enables us to innovate products that use less energy and water and ensure we improve our overall efficiency. We also partner with suppliers and customers who share our sustainability values.

Finally, we are committed to responsibly using resources across the product lifecycle, from raw material sourcing to a product's end of life, with an emphasis on the use of ethical and sustainable raw materials and practices.

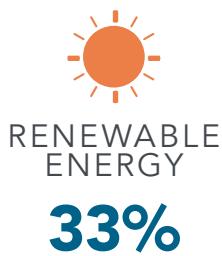
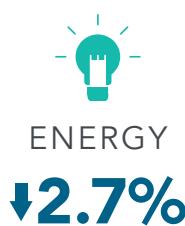
## ENVIRONMENTAL

Huber's overall impact on the natural environment and the energy and resources we use to operate within it.

# Planet

**Huber maintained its commitment to reducing** the Company's environmental footprint through operational excellence despite impacts stemming from the ongoing COVID-19 pandemic. The baseline for Huber's Sustainability Strategy is our 2017 energy and water intensity and CO<sub>2</sub> emissions intensity, with the goal of reducing each by 10% by the end of 2022.

With respect to the Company's environmental footprint performance, our sustained (rolling 12-month) usage intensity relative to the 2017 baseline for three key areas was\*:



In total, about 33% of Huber's 2021 energy usage was derived from renewable sources. Huber's renewable energy sources include solar, hydro (water), wind and geothermal.

Huber's internal Zero Waste-to-Landfill criteria requires diverting at least 90% of a manufacturing facility's waste from landfills. We continue to focus on new ways to eliminate or repurpose our waste streams.

There was one administrative NOV with no environmental impact. Huber also had one permit exceedance.

The energy intensity across Huber was negatively impacted by several variables in 2021, especially the pandemic's early effects on some of the Company's end markets, which resulted in lower production and reduced operational efficiency at our sites.

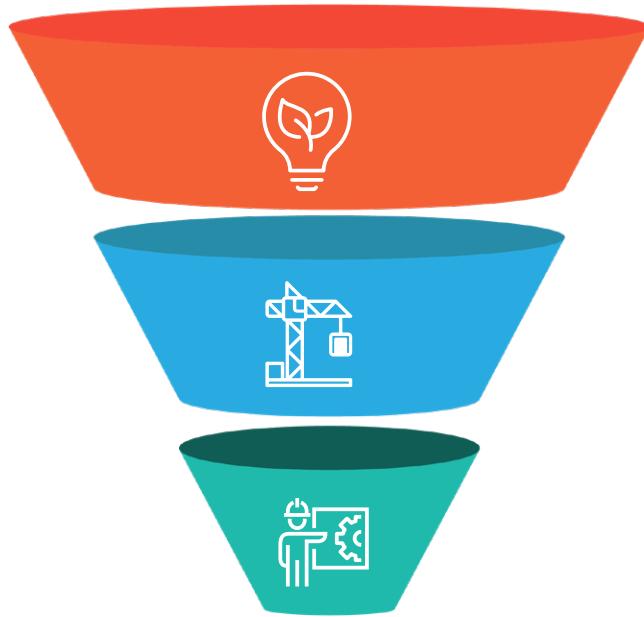
Water intensity improvements have come from efforts to reduce use within the manufacturing facilities, as well as capital projects that included water savings in their scope. The amount of renewable energy on the US electrical grid has increased, which has helped lower the carbon emissions intensity of our domestic sites. A third-party assessment of a pathway to 100% renewable energy for Huber's portfolio is underway.

\*We've excluded results from the Huber Advanced Materials Martinswerk location due to the pandemic's adverse impact on the demand from the automotive industry and other customers resulting in reductions in operational efficiency and higher energy and water use intensity. This performance is expected to recover as the markets we serve rebound and significant new projects come online in 2022.

# Climate & Water Strategy

**Huber's Sustainability Strategy includes specific, quantifiable objectives** to address climate and water risks. We approach this by minimizing waste in all forms, whether that is energy, water or byproduct streams. This reduces adverse impacts and promotes a culture of adaptation and business resiliency.

## OUR THREE-STEP RESOURCE EFFICIENCY HIERARCHY:



**New product development teams** start with sustainability in mind, beginning at the onset of each new product's ideation and continuing through its development and ultimate launch. Innovating products that use less energy and water is an important first step before we progress to manufacturing solutions.

**Next, through Triple Bottom Line** projects, we design new processes in a way that engineers manufacturing efficiencies into our plants.

**Finally, where existing processes** must be maintained for some time, we commit to continuous improvement to incrementally advance our efficiency.

## CLIMATE RISK

The Company understands that climate change impacts occur within and beyond our manufacturing operations. Because of this, Huber seeks to minimize physical and transitional climate- and water-related risks and impacts and realize climate- and water-related opportunities by partnering with suppliers and customers who share our sustainability values.

Physical climate-related risks at our operations and more often within the supply chain have also been assessed and mitigated when possible. Instances of near or actual force majeure related to flooding, freezing and storm events have increased in likelihood throughout the supply chain. For example, the February 2021 Polar Vortex freeze—an extended period of extremely low temperatures—caused interruptions of natural gas,



HEM's solar array in Marblehead, Illinois, has nearly 5,000 photovoltaic panels capable of producing 2.4 million kilowatt hours of energy annually.

water and power service at multiple Huber plants in the South-Central US. As a result, some of our operations experienced extensive damage as pipes froze and ruptured, and production ceased for periods ranging from one week to one month. The storm's actual impact to the organization totaled approximately \$9 million from physical damage and business interruption.

The Corporate Risk Team also monitors key supplier locations and regions by using drought and flood monitoring tools (NOAA, WRI Aqueduct).

Transitional risks are often the result of policy action, such as moving economies from fossil fuels to renewable energy sources.

One such transitional risk relates to the lignite phase-out in Germany, which in 2020, announced plans to stop the use of coal entirely by 2038. This goal has the potential to impact the Huber Engineered Materials Martinswerk facility in Bergheim, part of the Huber Advanced Materials (HAM) strategic business unit (SBU). HEM has approved a plan for a major sustainability project and substantial investment in a new power plant at the Martinswerk site to shift the facility's energy source from coal to natural gas.

CP Kelco's plant in Großenbrode, Germany, currently uses natural gas as its power source; so does the plant in Lille Skensved, Denmark. As the

European Union looks to reduce carbon emissions and increase the percentage of renewables on their power grids, these sites are evaluating ways to shift to electricity as a way to benefit from the increasing mix of alternative energy.

Climate-related transitional risks are monitored by the Corporate Risk Team and are reported on each quarter, or more often, if needed.

## OPERATIONAL EXCELLENCE

Operational excellence was a key contributor to Huber's overall outstanding profitability in 2021 and is a cornerstone of sustainability by enabling us to do more with less.

Regional COVID-19 restrictions resulted in a temporary shutdown of CP Kelco's Wulian plant. The local team quickly ramped up production as soon as regulations allowed. In addition to the pandemic environment, CP Kelco and HEM also faced challenges related to the Polar Vortex at sites in Texas, Arkansas and Oklahoma. Both businesses successfully overcame limited plant operations to continue delivering products to customers.

Huber Engineered Woods achieved the highest annual Operational Equipment Effectiveness in its history, with three of its five mills setting production records.

## CLIMATE STRATEGY

Huber has commissioned an enterprise-wide Climate Risk Assessment, beginning in late 2022, with a targeted completion in 2023. This project will include all Huber manufacturing operations, critical data centers and key suppliers for each business. The study will qualify and quantify physical and transitional climate risks and opportunities. Early results from this research will help inform the development of the next Huber Sustainability Strategy.

As the current Sustainability Strategy continues through the end of 2022, we're already at work to develop the next generation of strategic objectives for climate and water. With the materiality assessment of Huber's ESG priorities, we're confident that our stakeholders—both internal and external—will support our continuing commitment to meaningful, impactful climate and water actions that fulfill Huber's purpose of improving today for a better tomorrow. For example:

### **Huber Engineered Materials has initiatives underway to reduce emissions and water use:**

- At the Huber Advanced Materials SBU site in Marblehead, Illinois, a new 1.8-megawatt solar array, the first of its kind at Huber, provides more than 60% of the plant's power needs during daylight hours.
- Natural Soda, part of the Huber Specialty Minerals SBU, utilizes a "closed loop" water usage system that minimizes water waste in mining operations. The plant is located in the Colorado River basin, which ultimately drains into Lake Mead, one of the most water-stressed areas in the US.



### **CP Kelco undertook several large projects that helped improve sustainability performance:**

- The new Citrus Fiber production line in Matão, Brazil, incorporates improved filtration and distillation technologies to increase productivity and reduce energy consumption during production.
- The pectin plant in Großenbrode, Germany, began a project in 2021 to recapture waste heat from the natural gas turbine on site. The project will be completed in August 2022, leading to a reduction of 750 metric tons of CO<sub>2</sub> per year.
- A molasses production process installed at the Limeira, Brazil, pectin plant in 2021 reduced effluent generation by 67%, equivalent to 72 million gallons per year.



### **Huber Engineered Woods reduces energy usage by:**

- Deriving over 60% of its manufacturing energy demands from the bark, sander by-products and other wood-derived waste streams from the manufacturing process.
- Utilizing LED lighting and variable frequency drives (which make electric motors more efficient by adjusting their speed to match output requirements) at several of its plants.



# Circularity

To create a more sustainable business—and world—Huber strives to responsibly use resources across the product lifecycle, from raw material sourcing to a product's end of life, with an emphasis on ethical and sustainable practices.

## SUSTAINABLE PROCUREMENT

Huber seeks to do business with partners that share our values, thereby increasing the scope of our positive impact. Our approach to sustainable procurement includes working with our suppliers to determine how they affect our global sustainability footprint and ways we can work together to reduce our collective environmental impact. This helps ensure that our commitment to sustainability is reflected throughout a product's entire lifecycle.

The global Sustainable Procurement Team made progress toward our 2022 objective to assess the sustainability of our Top Tier suppliers, defined as suppliers with whom we exceed a specific spend threshold or are considered critical/high risk. Huber leverages multiple tools, including the Supplier Ethical Data Exchange (Sedex) platform, to review Top Tier supplier risk assessments and responsible sourcing audits.

When Top Tier suppliers are not Sedex members, or have no available data, Huber has developed

a supplementary Huber Social Responsibility & Sustainability Questionnaire, which is currently being piloted with a subset of our suppliers. These data are used to evaluate our supply chain risks and opportunities and deepen engagement with valued supply chain partners.

Another element of sustainable procurement involves improving digital tools to drive efficiency in logistics, which helps reduce non-traditional "waste" involved in the sourcing of raw materials. The upcoming Huber Engineered Materials Supply Chain Planning transformation initiative seeks to eliminate waste and mitigate risk by providing more accurate information to customers to enable better downstream planning. The project's goal is to reduce inventory and external warehousing needs, improve customer service through reduced errors, delayed shipments and increase employee productivity.

## In 2021:

**74%**

of our targeted suppliers went through a sustainability assessment/questionnaire process

**36%**

of our buyers received training on sustainable procurement

**69%**

of targeted suppliers have signed the Sustainable Procurement Charter/Supplier Code of Conduct

## PRODUCT LIFECYCLES

Sustainable manufacturing requires lifecycle thinking. We recognize the importance of understanding the full impact associated with our products across their lifecycle, from raw material sourcing to end of life. During the new product development process, Huber integrates an assessment of sustainability characteristics, with the objective of reducing the impacts of the product in all life cycle stages and thereby adding value for our customers and consumers through more sustainable product offerings.

CP Kelco completed LCAs on its citrus fiber, fermentation-derived cellulose and pectin products, with a goal of assessing every product in its portfolio in 2021. Huber Engineered Materials began LCAs for its fine precipitated hydrate and pinolene-based products.

This activity isn't new to the Company; in 2014, HEW became the first Huber business to use LCA. The HEW team applied "cradle-to-grave LCA" to its AdvanTech®, ZIP System® and Tru-spec® specialty products. Based on a wide range of data, the team was able to make recommendations to further reduce HEW's environmental footprint.

HEW refreshed this study in 2019 and published new environmental product declarations—supporting builders as they endeavor to build LEED Certified structures. (Leadership in Energy and Environmental Design provides a framework for healthy, highly efficient and cost-saving "green" buildings around the world.)

Manufacturing locations in each portfolio business made good progress on diverting waste from landfills, establishing new recycling programs and finding alternative uses for some of their byproduct streams. In 2021, Huber sent 19% less waste to the landfill than in 2020.

At CP Kelco's Brazilian facilities, we upcycle citrus peel from the juicing industry to produce pectin

and citrus fiber. Our Innovation Team designed our patented peel washing process that drastically reduces the need for fresh water compared to traditional peel washing processes and results in higher pectin-yield.

Process water from our pectin extraction process is recycled as fertigation (fertilized irrigation) for local eucalyptus tree groves, providing nutrients to support the growth of biomass that fuels our operations. The remaining byproducts from the spent citrus peel are processed into Braspolpa® animal feed products. The team also distills its byproduct into Ferpec® organic fertilizer for use by nearby citrus orchards.

At HEM, rather than disposing limestone ore that does not meet strict bright white color standards in calcium carbonate products, the business began using it to produce ReCal® PreC calcium carbonate for use in carpet backing and other applications where visual appeal is less critical.

Huber endeavors to incorporate zero waste design into the new product development process, including utilizing raw materials that can be regenerated, such as sustainably sourced trees or seaweed. HEW's mills have been third-party certified to the Sustainable Forestry Initiative (SFI) Standard. SFI is an organization that advocates for sustainable forest management and sound timber harvesting practices that promote tree growth and regeneration.

CP Kelco sources 100% RSPO-certified glycerin as a raw material. (The Roundtable on Sustainable Palm Oil, or RSPO, is a global, multi-stakeholder initiative to make "sustainable palm oil the norm.") Huber also designs products in a way that reduces toxicity in finished goods so that they are more likely to be reincorporated into nature without any negative impacts.

# SOCIAL

PUTTING PEOPLE FIRST IN ALL WE DO

Everything we do at Huber is motivated by a desire to improve today for a better tomorrow. This is especially true in our approach to social responsibility, where the Huber Principles serve as guideposts to build a strong, sustainable company that will continue to enhance the lives of millions of people around the world for generations to come.

“Huber’s commitment to social responsibility is driven by the Principle of Respect for People, starting with health, safety and well-being and extending to employee engagement, Diversity, Equity & Inclusion as well as community outreach. To enable our people-centric approach, we put innovation at the heart of all we do to build a continuous improvement mindset across our organization and create products that improve lives the world over.”



**Lily Prost**  
Executive Vice President &  
Chief HR Officer

## Our Philosophy is based on:

- Improving the health, safety and well-being of our employees.
- Creating a collaborative culture that enables Huber to recruit and retain high-quality talent.
- Ensuring everyone—regardless of gender, ethnicity, age, sexual orientation or disability—can be their best selves at work.
- Enhancing our product portfolio so that everything we make has a positive impact on people, the planet and prosperity.
- Strengthening the communities in which we operate.

Huber's foremost responsibility is to our people, so we are always looking for ways to prevent the frequency and severity of workplace incidents through improved processes and behaviors. Our continued response to the COVID-19 pandemic has been to prioritize employee safety and business continuity. We also introduced a Global Employee Family Assistance Program (EFAP) that includes free and confidential assessments, short-term counseling, referrals and follow-up services to employees experiencing issues affecting their mental and emotional well-being.

It is important to us that our people grow, nurture their innate talent, and cultivate new skills that will help them move forward both professionally and in life. We continue to provide opportunities through our Learning Management System to improve training access and administration and have leadership development programs that help strengthen our talent pool.

Our employees and leaders across the globe continued to showcase a collective passion for

our I Belong at Huber Diversity, Equity & Inclusion initiative, which aims to build a culture that respects the dignity of all people, inspires belonging and promotes equitable access to opportunity.

Whether offering protection against hazardous weather events, improving energy efficiency or making life easier for farmers in water-stressed areas, we are committed to ensuring our products make a difference for millions of people across the world and positively impact the environment, society and the communities in which we operate.

Finally, we continued our long history of doing good in the world by expanding the reach of our Huber Helps community engagement and philanthropy program globally. We have also continued to add to our strategic partnerships to ensure we make a significant, collective impact in our three areas of focus: Affordable Housing, Education & Wellness, and Environment.

# Nurturing Talent

An exceptional retention rate and successfully recruiting hundreds of new employees are just two among many strong indicators that Huber is providing a nurturing culture where people want to join the Company and remain part of our organization. This remained true even as the COVID-19 pandemic continued for a second year.

## TALENT MANAGEMENT

With pandemic restrictions limiting access to some Huber sites during 2021, the Company hired and onboarded people around the world remotely. Collaboration between HR teams within different parts of the organization helped identify similarities and differences in recruiting practices, providing opportunities to further harmonize such procedures to better support our Diversity, Equity & Inclusion (DE&I) initiative, I Belong at Huber.

Recognizing how the pandemic has changed the way we work, Huber designed a Flexibility at Work (FAW) program, which was first deployed in Atlanta, Georgia; Paris, France; and Lille Skensved, Denmark. This program, with several onsite and virtual work options, offers flexibility to employees while maintaining high productivity. A training program on the Company's FAW policy is being implemented in 2022.

Our approach to talent management includes mentoring, training and other programs. The majority of employees receive regular performance and career development reviews through our Performance at Huber (PATH) program based on the Global People Solutions (GPS) human capital management system. Employees' performance and career interests are reviewed through a mid-

year checkpoint and then end-of-year annual performance reviews. In this two-way process, employees share their self-assessment and managers provide feedback. For employees who are not set up in GPS, non-PATH reviews and blue-collar reviews are performed. Approximately 60% of Huber's workforce were enrolled in a career management plan in 2021.

Over the course of the year, Huber built on its capabilities to deliver global employee learning opportunities by deploying a Learning Management System to improve training access and administration. Training courses were offered on DE&I topics like unconscious bias and inclusive leadership, as well as risk management, compliance and Environment, Health, Safety & Sustainability. In total, approximately 14,000 courses were completed by 3,000 employees. In addition, employees have access to tuition reimbursement for educational opportunities outside the Company.

The portfolio businesses sponsored initiatives to cultivate future leaders, such as the Leadership Accelerator Program that Huber Engineered Materials developed in partnership with the University of Georgia's Executive MBA faculty and the ongoing leadership training that Huber



Colleagues from the HEW and CP Kelco Innovation teams held a joint session at the Atlanta Innovation Center in November where they discussed their unique innovation strategies, reviewed best practices and tackled shared challenges between the two businesses.

Engineered Woods offers through the University of North Carolina at Chapel Hill and the Center for Creative Leadership.

CP Kelco built their Employee Experience Commitment on the same framework as the Customer Experience Commitment with the reasoning that to deliver exceptional service to our customers, we must also commit to providing exceptional support to each other.

The Huber Global Sustainability Summit (virtual in 2021 and in person in 2022) brought together 250 leaders from across the enterprise to learn more about the Company's ESG journey.

As part of Huber's internship program, the Company welcomed 18 interns across all three portfolio businesses and multiple functions. Each intern was assigned a mentor to help them make connections, learn the culture, and find and utilize the resources they need to be successful. This number grew to 30 interns in 2022.

## LEADERSHIP AND SUCCESSION PLANNING

With an eye on the future, the Huber Management Council (HMC) held a detailed talent review with

the Corporate Board that spotlighted the Top 25 most critical positions within Huber (below the HMC level). In 2021, about 50% of these critical positions had a ready-now successor already identified. For key talent elsewhere in the organization that we want to proactively track and develop over time in order to ensure Huber's continued bench strength, about 70% were diverse leaders (women or minorities) on a long-term succession plan to prepare for one or more of Huber's top 25 critical positions.

Almost 30 Huber leaders from our high-potential talent pool took on special assignments in 2021 to help plan our initial approach to the five long-term sustainability/ESG priorities:

- Innovation
- Climate & Water Strategy
- DE&I
- Circularity
- Product Commercialization with Societal Benefits

This proved to be an excellent development initiative for the participants, as well as a great help to the HMC when hosting the 2022 Huber Global Sustainability Summit in April.

## EMPLOYEE ENGAGEMENT

Our employee engagement is on par with the highest-performing global companies, which has been quite helpful in retaining Huber's talent in a tight job market. The organization used feedback provided through the Employee Engagement Survey of 2019 to guide actions at the local, functional, business and enterprise level, and is preparing to launch a new survey, also conducted

by an external contractor, in 2022 to measure such aspects as job satisfaction, understanding of the Company's strategic vision and belonging. Town halls, pulse surveys and focus groups are other forms of continuing the engagement and feedback process to provide the insights on how employees perceive their work environment.

## Tenure/Turnover Metrics



**4,327**

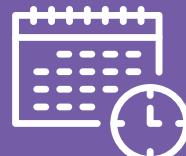
Total number of  
Huber employees

(workforce on  
December 31, 2021)



**11.6**

Average years of service  
for Huber Employees



**35.2%**

Percentage of employees  
who have been with Huber  
for less than 5 years



**4.66%**

Voluntary annual employee  
turnover rate at Huber,  
excluding retirement

(benchmark of voluntary turnover  
across global industries is 9.3%,  
based on 2020 Mercer Workforce  
Turnover Survey)



**413**

Total new employees



**164**

New employees who joined  
Huber through an acquisition

# Product Commercialization with Societal Benefits

**Huber's businesses create products** used in a broad range of applications, including personal care, food and beverage, agricultural nutrients and adjuvants, building materials, flame retardants and smoke suppressants, as well as sustainable forestry services. Many of our products have a positive impact on the environment, society and the communities in which we operate.

Huber Engineered Woods and its innovative line of products aids the construction industry in building for comfort and protection against hurricanes, blizzards and other hazardous weather events. ZIP System® sheathing and tape provide strength, stiffness and water resistance, meeting the Insurance Institute for Business and Home Safety's FORTIFIED Home™ standards. These guidelines help homeowners strengthen their houses against severe weather.

The ZIP System™ panels also provide a continuous, rigid air barrier that decreases air leakage for greater energy efficiency. In addition, HEW's EXACOR™ magnesium oxide (MgO) panels are fire resistant.

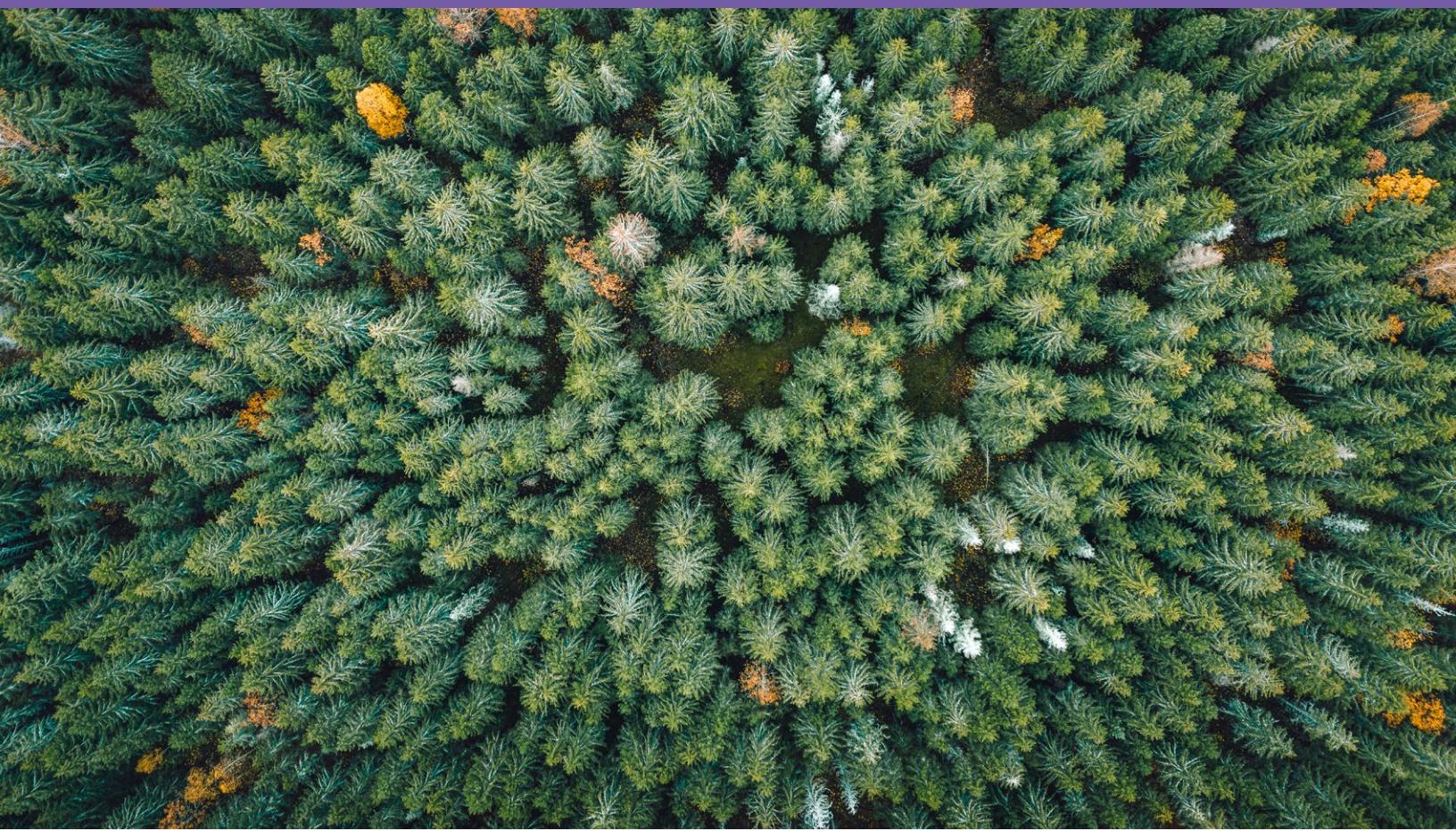
The Huber Advanced Materials (HAM) SBU of Huber Engineered Materials produces halogen-free (non-toxic) flame retardants and smoke suppressants.

The SBU's alumina trihydrate (ATH), MAGNIFIN® magnesium hydroxide (MDH) and KEMGARD®

products are used in wire and cable, silicone rubber, foam insulation, commercial flooring, PVC pipe, electric vehicle batteries and more. Our solutions from HAM help deliver better battery stability, performance, reliability and safety, as well as enhanced flame retardancy and reduced vehicle weight, which gives cars and trucks better fuel efficiency and handling.

Another of HEM's SBUs, Huber Specialty Minerals (HSM), produces a variety of solutions, including food fortification and pharmaceutical applications. Sharing a site and resources with the HSM facility in Quincy, Illinois, our Health & Nutrition plant produces HuberCal® granulated calcium carbonate from naturally occurring sources such as limestone. It is used in the food, dietary supplement and pharmaceutical industries.

Miller, part of HEM's Huber AgroSolutions SBU, specializes in fertilizers and adjuvants that make the land more productive by enabling crop protection materials to adhere better to plants, reducing the need for reapplication and overfertilization. This, in turn, lowers the release of active ingredients into the water table. Additionally, higher yields on existing agricultural lands reduces the expansion into non-arable lands, thereby supporting biodiversity.



Huber Resources Corp offers timberland consulting services worldwide, including forestry appraisal, wood basket analysis and timberland inventory management and modeling.

Miller's nutritional products replace key depleting nutrients in the soil while their soluble fertilizers maximize efficacy in water-conscious drip irrigation systems, an important farm irrigation tool in water-stressed areas.

CP Kelco's nature-based hydrocolloids and fibers are used in everything from food and beverages to personal care and oral care applications, household cleaners and detergents, pharmaceuticals, paper, construction, paints and coatings. These biodegradable ingredients help customers satisfy consumer demand for "clean label" foods and beverages. They are also seeing an increased adoption in alternative proteins, which are sourced either from plants or fermentation and provide an alternative to meat, dairy and other animal-based proteins.

Huber Resources Corp, which reports into Huber Engineered Woods, utilizes an integrated system of responsible forestry practices, including forest regeneration and sustained yield harvesting. These strategic harvesting methods are designed to maintain or even improve watersheds and wildlife habitats, improving the value of timberlands while protecting the environment.

We continue to watch for emerging consumer trends as well as societal needs when developing plans for our strategic growth, whether by monitoring for new market opportunities or enabling and enhancing technologies.

# Safety, Health & Well-Being

**Huber's foremost responsibility in its Sustainability Strategy** is to its people, which includes providing a safe work environment and looking for ways to reduce potential incidents through improved processes and behaviors. Our approach to safety covers all Huber employees, on-site contractors and visitors to a Huber location.

We have evolved from a focus on lagging metrics such as total injury rate to a more transformative, predictive, risk-based and behavior-based approach to eliminate or at least reduce the possibility for high-energy safety exposures (situations that have the potential to cause serious injuries or fatalities, regardless of the actual outcome). As the pandemic changed the way we work, teams around the world adapted with innovative solutions to identify, assess and mitigate exposures within our workplaces.

Huber's pandemic safety protocols helped avoid any significant spread of COVID-19 at its locations in 2021. Huber ended the year with a Total Recordable Injury Rate (TRIR) of 1.13, which is the second lowest of the last five years. We did have three high-energy injuries over the course of the year. Fortunately, the employees have fully recovered with no lasting impact.

Environment, Health, Safety & Sustainability (EHS&S) personnel thoroughly investigated each incident, regardless of energy level, to ensure we understand root causes so that a focus can be put on prediction and prevention of similar incidents across each site and business. Eliminating workplace hazards and exposures that can lead to injuries remains the primary goal of safety efforts across the Company.

Huber's safety performance is representative of our employees' commitment to looking after themselves and their colleagues. For example, 25% of employees at our manufacturing sites were members of their local safety committee.



SAFETY COMMITTEE  
MEMBERSHIP

**25%**

employees at our  
manufacturing sites  
were members of their local  
safety committee



HIGH-ENERGY  
INJURIES

**3**

employees have fully  
recovered with no lasting  
impact



TOTAL RECORDABLE  
INJURY RATE  
(TRIR)

**1.13**

second lowest of the  
last five years



PSM INCIDENTS

**0**

Process Safety Management (PSM) is at the core of the Huber Principle of EH&S Sustainability. PSM focuses on the reduction of risks related to high-energy exposures to our employees, assets and neighbors in the communities in which we operate around the world. A high-energy PSM incident is defined as an event that results in significant property damage, fire, explosions, chemical release or injury.

Thanks to our multi-layered protection approach, there were no PSM incidents in 2021.

### MONITORING AND IMPROVING

Despite lingering COVID-19 outbreaks and restrictions in some regions, the Company continued to uphold ongoing safety and environmental compliance throughout the year. The Corporate Internal Audit team completed four combined regulatory compliance and Huber Sustainability Management System (HSMS) conformance assessments in 2021:

- HEW's Commerce, Georgia, and Easton, Maine, facilities were assessed with remote internal auditors and on-site consultants performing the compliance assessment.
- CP Kelco's San Diego, California, facility underwent an in-person compliance and conformance assessment with a concurrent remote PSM assessment.
- HEM's Marblehead, Illinois, facility underwent an in-person compliance assessment combined with a remote HSMS gap assessment.

Based on these assessments, the Easton facility achieved a gold level HSMS audit rating, Commerce was awarded a silver rating and San Diego was awarded a bronze rating. Guided by their gap analysis, Marblehead developed a detailed plan to drive its management system's resiliency, which includes employee engagement and training new personnel on adoption of the HSMS standards.

### EMPLOYEE BENEFITS

Huber endeavors to provide a total rewards program that not only takes care of the needs of employees, but also reflects the Company's family friendly philosophy while being competitive within the marketplace.

The Global Benefits Advisory Council—comprised of HR representatives from Corporate and each portfolio business—formed in 2019 to provide competitive and world-class programs as outlined in Huber's Global Benefits Philosophy Statement:

CP Kelco employees in Okmulgee, Oklahoma, hold a forklift safety competition every year, featuring an obstacle course designed to test their skills.



### GLOBAL BENEFITS PHILOSOPHY STATEMENT

- Deliver programs that reflect the Huber Principles and our company culture of rewarding employees.
- Strive to provide a total rewards package that aligns with and selectively leads market trends where we do business and have a sizable presence.
- Invest in employee well-being by delivering core and differentiated benefits programs that achieve sustained, balanced value for the organization.
- Offer highly competitive benefits programs as another way to recognize that retaining and respecting our employees is key to the Company's long-term success.

## GLOBAL BENEFITS

**Mental Health and Well-being** — Huber introduced a new Global Employee Family Assistance Program (EFAP). The EFAP unites various disparate programs under one provider with more robust and comprehensive offerings, including resources to help deal with stress, work toward one's life goals and adapt to different cultures. Huber is working to develop a mental-health awareness strategy and training program in order to equip Huber leaders with an understanding to better support our workforce with the emotional challenges employees face.

**COVID Sick Time** — Huber established a global sick paid leave policy to allow employees to take time off at 100% pay if experiencing COVID-19 symptoms.

**Special Bonus** — To show appreciation for how Huber has responded so effectively to the pandemic, the Company paid a one-time special bonus to all employees globally (excluding senior management) in 2021. An independent consultant using a purchase-power parity index helped to ensure that the amounts paid to Huber employees worldwide would be economically equivalent to \$3,000 USD.



**BRAZIL** — Huber increased supplemental healthcare coverage from 75% to 100%. The life and accidental death and dismemberment (AD&D) insurance coverage options previously paid for by the employee are now covered 100% by the Company. Huber also expanded maternity leave by additional 30 days, above the legislated 24 weeks.



**CHINA** — Huber has increased paid time off based on tenure, as well as life and AD&D coverages. The Company is supplementing employees' housing fund accounts.



**GERMANY** — At CP Kelco's Großenbrode plant, Huber increased the contribution to its defined contribution pension plan, as well as increased the AD&D insurance coverage. HEM's Martinswerk facility transitioned from a defined benefit pension plan to a defined contribution plan for new hires and bridged the gap for the existing pension plan between blue-collar and white-collar workers. Additionally, the Company introduced a subsidized fitness program.




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**UNITED STATES** — In the US, Huber offers quality programs and services for the physical and emotional health of employees, as well as their financial well-being, representing our holistic, inclusive approach to benefits.

#### Physical

- Coverage for same- and different-sex spousal medical and soft benefits, such as equal health benefits for transgender individuals for medically necessary care without exclusion, as well as gender-neutral fertility and family building benefits.
- Programs for diabetes management and oncology, as well as virtual physical therapy to cope with joint and back pain.

#### Emotional

- Teletherapy (confidential therapy by phone or video) with access to therapists and psychiatrists to help treat anxiety, depression, marital issues, stress and more.
- Caregiver support benefits to provide back-up child and elder care, family support services such as babysitters, college coaching, and academic support and tutoring.
- Parental leave policy increased to six weeks to allow further bonding and family time with a new child at 100% pay.

#### Financial

- Profit Sharing — Our revamped profit-sharing plan for eligible US employees took effect in 2021. A rare benefit in America, improvements included linking the program to Huber's overall consolidated corporate financial results (instead of individual portfolio business performance) and extending eligibility to non-union employees from CP Kelco, Huber Resources Corp and HEM's Miller business (part of the HAS SBU).
- Retirement readiness — 96% of eligible active US employees participate in Huber's best-in-class 401(k) retirement savings plan that includes a 125% match on the first 5% invested by employees. With participants investing an average of 8% of their pay, the plan average for income replacement upon retirement is 63%, which is slightly more than double the benchmark of Voya Financial, Huber's 401(k) service provider.
- Supplemental coverages — Eligible US employees can enroll for identity theft, legal services and pet insurance.

# Product Safety & Quality



CP Kelco employees in Wulian, China, celebrated World Quality Day in November with a week-long series of events, including food safety training, competitions, parties and more.

**As a Company now entering its sixth generation** of family ownership, Huber takes the long view on ensuring product quality and the safety of customers and end consumers, including considerations regarding product ingredients and their potential near- and longer-term effects on customer health. In an increasingly competitive market, this is among the ways Huber differentiates itself—making us the partner of choice for customers that require the best ingredients for their own products.

CP Kelco and HEM have manufacturing facilities on four continents and customer bases that span the globe. All of their plants are ISO 9001 certified (the internationally recognized standard for quality management). CP Kelco has a Quality Issues Management (QIM) system that is compliant with ISO 9001 as well as the Global Food Safety Initiative (GFSI) acknowledged Food Safety System Certification (FSSC) 22000.

## QUALITY CERTIFICATIONS





HEW's award-winning ZIP System® sheathing and tape provides integrated water- and air-resistant barrier and a two-step installation process, making ideal for use in single family, multi-family or light commercial construction.

The business's Quality and Food Safety Policy is communicated through training, made visible throughout the organization, and adopted and implemented by each of CP Kelco's manufacturing sites. CP Kelco marked World Quality Day in November with a week-long series of celebrations primarily focused on training and communication. Each business has a procedure to ensure customer complaints are effectively investigated and managed, which helps drive continuous improvement.

HEM uses the Enablon® system to track issues related to quality throughout the business. The Huber Advanced Materials strategic business unit (SBU) of HEM produces halogen-free flame retardants, which are used in a number of applications, including safer thermosets, lower rolling resistance in tires—resulting in improved fuel economy, as well as better battery stability and safety for electric vehicles. In 2021, HAM tracked 165 quality events, sharing best practices related to corrective and preventative actions to drive continual improvement. Additionally, the Huber Specialty Minerals SBU tracked 193 quality-related events, whether related to internal processes or third-party handling and transport.

In recognition of its positive reputation in the marketplace, HEW's AdvanTech® oriented strand board maintained its number one ranking for Highest Overall Quality and Brand Most Used in the OSB category in *BUILDER* magazine's annual brand use study through 2022. Similarly, HEW's ZIP System® brand topped every category for exterior sheathing: Most Familiar, Most Used in the Past Two Years, Used Most and Highest Overall Quality. Added to HEW's number-one quality rankings in 2022: AdvanTech™ Subfloor Adhesive in the Caulks and Adhesives category.

## CHEMICALS & SUBSTANCES OF CONCERN

As part of the Huber Sustainability Management System, procedures from the American Institute of Chemical Engineers Center for Chemical Process Safety guidelines have been incorporated for sites with process safety risks. We address our raw materials and other chemical use within our risk management practice and are compliant with all international regulations for product registration and product safety (e.g. Registration, Evaluation, Authorization and Restriction of Chemicals, known as REACH, in the European Union).

# Huber Helps



Huber Helps expanded our annual sponsorship of Habitat for Humanity International to include US-based fully-sponsored house builds and HEW product donations as well as community refurbishment projects internationally for a total annual commitment of \$750,000.

**The Huber Helps program expanded** significantly in 2021 as a result of Huber's extraordinary financial performance in the past several years and our commitment to donate 1% of the Company's net income annually to philanthropic causes. The program expanded across our three areas of focus—Affordable Housing, Education & Wellness, and Environment—through increased donations to already established strategic partners, new sponsorships that align with Huber's DE&I and Sustainability goals and continued global growth of employee-driven activities. The Company also makes donations related to Humanitarian Support when such situations as natural disasters arise.

We doubled our annual sponsorship of Habitat for Humanity International by \$250,000 to broaden our reach outside of the US by funding renovation and education projects in India, Brazil and Singapore, bringing the Huber Helps sponsorship up to a total of \$500,000—plus the annual product donations made by Huber Engineered Woods.

For the Gary Sinise Foundation R.I.S.E. (Restoring Independence Supporting Empowerment) program,

in addition to HEW's ongoing product donations, we committed to donate \$125,000 annually to help fund specially adapted house builds for US veterans and first responders.

In alignment with Huber's DE&I goals, Huber Helps made its first donation of \$250,000 to the Thurgood Marshall College Fund. The donation was directed towards COVID-19 relief funding for 125 students in need and five Huber Summer 2022 internships.

To provide multi-year funding to charities around the globe that provide access to education and mentoring for disadvantaged youth, Huber Helps also launched the Impact Global Education Network. In total, \$220,000 was donated to the two inaugural organizations: Shanghai Young Bakers (Shanghai, China) and Musicians for Education (San Diego, California).

Huber Helps also launched two new strategic sponsorships that align with the Company's environmental goals. Huber pledged \$250,000 to the Arbor Day Foundation to fund two reforestation projects in the Mississippi River Delta and the

Monongahela National Forest in West Virginia. In addition, Huber donated \$60,000 to the Chattahoochee Riverkeeper to fund a boat on Lake Lanier (Atlanta, Georgia) as a platform to provide water-related education to 5,000 children annually.

Our humanitarian aid efforts allow Huber Helps to react quickly to major emergencies in communities where our employees live and work. In 2021, we responded to the flooding in the Rhein region in Germany and tornado and hurricane disasters in Louisiana and Tennessee in the US. We also continued to provide COVID-19 relief funding in Brazil, China and India.

Huber continued to match donations made to educational institutions and not for profit

organizations for US employees and facilitate the Huber family Nickel-A-Share program, where Huber shareholders can designate a donation from the Company, based on the number of shares they have, to charities of their choice. Additionally, we donated \$500,000 to the Huber Family Action Fund to empower our family shareholders to direct those funds towards specific social justice causes the family is passionate about.

In total, Huber Helps donated \$6.9 million to charitable causes around the world in 2021. This includes cash given by J.M. Huber Corporation and its portfolio businesses, as well as products donated to a variety of organizations by HEW.

## 2021 Highlights

### Impact Your Community (IYC) Program

This annual Huber Helps program supports projects that can benefit a community for multiple years or generations, offering the Company the opportunity to leave a legacy in a way that smaller contributions may not, particularly when the need exceeds a Huber site's local community engagement budget. Since 2018, Huber Helps has donated to 28 charitable organizations through the IYC program, for a total of **\$1,742,000** funds deployed.

**35**  
applicants      **10**  
recipients      **\$866,000**  
funds deployed

<b>Beggs High School STEM Lab</b> Okmulgee, Oklahoma	<b>Kiamichi Technology Centers-Idabel Campus</b> Broken Bow, Oklahoma
<b>Catawba Lands Conservancy/Carolina Thread Trail</b> Charlotte, North Carolina	<b>Kidsource, Inc.</b> Bauxite, Arkansas
<b>Connect Køge</b> Skensved, Denmark	<b>LifeTies, Inc.</b> Edison, New Jersey
<b>Fang Fang Education Project</b> Shanghai, China	<b>Outdoor Outreach</b> San Diego, California
<b>IServe Ministries</b> Commerce, Georgia	<b>Veterans Empowerment Organization of Georgia, Inc.</b> Atlanta, Georgia

### Strategic Partners



Added four new partners that include initiatives under two areas of focus: Education & Wellness and Environment



Expanded our affordable housing initiatives to global projects



Aligned Huber's DE&I & Sustainability goals with the Huber Helps strategy

# Diversity, Equity & Inclusion

At Huber, we strive to listen and learn from each other's unique and diverse perspectives in our everyday decision-making. We stand firm in our commitment to serving as allies to one another, building upon our Diversity, Equity & Inclusion (DE&I) journey and taking actions that lead to lasting, meaningful change. Valuing different backgrounds, ideas and opinions is part of our DNA and embedded in our Huber Principle of Respect for People.

This global DE&I strategy we call



I Belong  
at Huber®

encompasses  
three key areas:



Huber recognizes our talented workforce is the Company's biggest competitive advantage. We want to invest in building a pipeline of candidates and developing a workforce that enables global diversity of talent at every level of the organization.

We aim to create an inclusive environment where employees are encouraged to bring forward innovative solutions. To accomplish that, we need to ensure that all people are seen, all voices are heard, and every employee assumes the responsibility to be a visible ally and an advocate to one another.

We want to raise industry standards, be role models in our communities and leave a lasting impact on our customers, suppliers and society. This is the legacy Huber will provide for future generations and is accomplished through our Huber Helps initiative.

In 2021, we hired more DE&I resources as we continued efforts to embed DE&I into every facet of the Company. These individuals have worked closely with the board of directors, senior management, the Director of Organizational Development and the DE&I team to begin building a multi-year roadmap that aligns the strategies from our portfolio businesses with Huber's corporate priorities.

## EMPLOYEE RESOURCE GROUPS

Employee Resource Groups (ERGs) are cohorts of employees who come together based on a shared purpose, interest or background. ERGs help create a more inclusive workplace and promote cultural competency through engaging events, collaborative projects, and learning and developmental opportunities. Employees are invited to participate either as active members or allies. All ERGs are supported by engaged volunteers and guided by Huber Management Council sponsors to ensure the groups' goals align with our DE&I strategy.

Since 2020, we have almost tripled the number of ERGs to facilitate further networking, career development and volunteer opportunities for our employees.



### Aspire Women's ERG

Huber's original ERG, which was started by Huber Engineered Woods employees in Charlotte, North Carolina, began as a networking group but now also does philanthropic work.



### Association for the Success & Inclusion of Asians & Pacific Islanders (ASIA)

Empowers Asian, Asian American and Pacific Islander employees and allies to create an inclusive, just and equitable community.



### Black Employees Supporting Talent (BEST)

Launched to provide a safe and open space for Black employees to network, collaborate on community development-focused projects and provide additional professional development resources and opportunities.



### Huber's Organization for Latinx Advancement (HOLA)

Facilitates visible commitment to the inclusion and valuing of Latinx employees and their allies through programs and activities that promote cultural and professional development, holistic wellness, networking, mentorship and leadership.



### Veterans (VETS)

Provides help and support to veterans to encourage each other through shared experiences, veteran recruitment, career development, outward engagement, professional growth and retention.



### Women's Inspiration Network (WIN)

Supports women and their allies, promotes collaboration, fosters networking and encourages the advancement of women at Huber.



### Working Parents (Supporting Parents & Caregivers)

Serves as an accessible resource for supporting parents and their allies in raising the next generation.



### Young Professionals

Encourages team members in the early stages of their careers through education, networking opportunities and exposure to the Huber enterprise.



A panel of women share their perspectives during a Huber Talks event on International Women's Day.

## HUBER TALKS

In 2021, Huber began facilitating a series of small-group, employee-led conversations based on different diversity dimensions and lived experiences. The purpose of these Huber Talks is to create psychological safety within our culture and drive inclusivity initiatives that celebrate diversity.

Across the Company, Huber's ERGs have been holding Huber Talks on a wide range of topics, including:

- The Young Professionals and WIN ERGs joined forces to host a Huber Talks with Huber family members about their approach to governance, legacy and DE&I.
- ASIA celebrated the Lunar New Year by hosting a Huber Talks event celebrating Asian American leaders alongside some members of the Huber Management Council.
- BEST, in partnership with WIN, recognized Black History Month with a Huber Talks event discussing racial justice issues.
- HOLA held a Huber Talks event on Latinx leadership with guest panelists from within the organization.
- VETS held a panel event with a US Army Colonel and the VETS leadership team.
- WIN put on a three-part development series about meeting management for career success.
- The Young Professionals hosted a Huber Talks event with several external speakers on how to thrive in a multigenerational workforce.
- For International Women's Day, WIN held two Huber Talks events featuring panels of women from each portfolio business and representing a variety of functions from across the globe. During the events, the women each shared their perspectives about working in male-dominated occupations.

## HUBER'S DE&I PURPOSE STATEMENT

*Guided by the Huber Principles, we will set the standard for a culture that respects the dignity of all people, inspires belonging and promotes equitable access to opportunity. Our commitment contributes to a high-performing, innovative and prosperous Corporation, positively impacts our communities globally and strengthens Huber's legacy for future generations.*



Atlanta-based employees in the Young Professionals ERG entered a kickball team, "One Kick Wonders," into a local league as a way to network with each other and other young professionals in the area.

## STRATEGIC PARTNERSHIPS

Huber has initiated partnerships with several different groups to further our DE&I strategies. Research and advisory company Gartner is our partner to provide valuable insights, guidance and tools to measure the effectiveness of our DE&I initiatives. We also began partnering with and supporting the Georgia Diversity Council (GADC), a chapter of the National Diversity Council local to our corporate offices in Atlanta, to further our DE&I strategies. The relationship with GADC helps us foster a learning environment for our DE&I initiative to grow and provides us with education and best practices for employee and leadership development. From a learning and development perspective, we have worked with Skillsoft, an educational technology company, to enhance our online training courses and increase the organization's overall cultural competency around DE&I.

### DIVERSITY

Differences in backgrounds, lived experiences or other dimensions that result in a broader perspective and drive better decisions.

### EQUITY

The fair treatment, access, opportunity and advancement of all people, while at the same time striving to identify and eliminate barriers that have prevented the full participation of some groups.

### INCLUSION

Behavior and actions that create a culture where different perspectives are valued, resulting in higher engagement and better overall performance.



# GOVERNANCE

## APPLYING AND BUILDING ON BEST PRACTICES

Although Huber is privately owned, the Company adheres to many of the best practices of publicly traded enterprises, including maintaining robust governance structures. Under the Portfolio Management Company (PMC) organizational model, Huber's three largest businesses—CP Kelco, Huber Engineered Materials and Huber Engineered Woods—each have their own dedicated Management Board, whose members have significant experience in the relevant industries they serve. This ensures that Huber leaders within each portfolio business are supported by a Board with both the expertise and governance rigor to help drive the business forward toward their goal of developing innovative products and services.

**“Our unique model for corporate governance, coupled with an outstanding leadership team, enables Huber to excel in our efforts to achieve profitable growth while minimizing our environmental impact and proactively defending against risks.”**



**Carol Messer**  
Executive Vice President &  
General Counsel

The Huber Board has four standing committees:



#### Audit & Finance

Aids the Board in upholding rigorous financial reporting standards, ensuring the quality and integrity of Huber's accounting and financial reporting, maintaining an effective capital structure and keeping the Company's enterprise risk processes up to date.



#### Compensation & Human Capital

Helps the Board guide Huber's employee compensation philosophies, management development strategies and culture.



#### Corporate Governance & Nominating

Assists the Board in matters of corporate governance by providing oversight of Board organization, operations and effectiveness.



#### Environmental, Health, Safety & Sustainability (EHS&S)

Guides the Board in developing and implementing Huber's sustainability initiatives.

Operational matters are left to the Management Boards, with appropriate oversight from the Huber Corporate Board. In addition to increased autonomy, the PMC structure also encourages greater accountability for each business to achieve outstanding performance. This frees up Huber's Corporate Board to focus on overall portfolio strategy and critical resource allocation decisions.

These boards include outside (independent) directors, Huber management and members of the Huber family. To cultivate future family leaders, the Corporate Board also includes non-voting Director positions, with new family members attending all meetings and being treated as full board members with the duty to contribute, but without the right to vote.

The Huber Corporate Board of Directors' first Environmental Committee was established in 2005 and succeeded by the current EHS&S Committee in 2009. This history and emphasis on EHS&S make us a leader on the topic of governance.

The EHS&S Committee helps chart the Company's sustainability journey in the spirit of the Huber Principles. This ensures that the Company reaches its goals in ways that have a positive impact on our stakeholders. The Committee Chair is a fifth-generation Huber family member, which enables shareholders to actively provide guidance and direction to the Company's strategic sustainability efforts, particularly those related to health and safety and our climate and water strategy.

#### GOVERNANCE

The internal and external leadership and accountability structure that ensures Huber's sustainable future through compliance, resilience, value creation and strategic direction.



The 2022 Huber Global Sustainability Summit featured a panel discussion where Huber family members spoke on the importance of family and Board governance.

The Committee Chairperson works closely with the Executive Vice President & Chief Sustainability Officer of J.M. Huber Corporation to provide oversight, approval and guidance on the execution of the Huber Sustainability Strategy and reports progress back to the Huber Board of Directors, elevating related opportunities and risks as necessary.

For instance, risks related to the environment are aggregated at a corporate level and prioritized by the EHS&S function and the Huber Environmental Management Committee, a group of Company leaders and experts that meets quarterly. Climate-related risk is generally mitigated by allocating capital funding to increase existing process efficiencies, develop and deploy new technologies and to pursue renewable sources of energy.

Another vital role for the EHS&S Committee is to aid the Board in capital allocation decisions by providing a view on the sustainability benefits among competing projects. New investments can include capital improvements supporting the continued organic growth of our current businesses, projects to improve a site's resource efficiency and/or operational performance, as well as Mergers & Acquisitions (M&A) opportunities.

These projects reflect comprehensive evaluations of capital investments and assessments of the sustainability attributes of these projects—improved employee safety, increased community engagement, reduced environmental footprint, developing products with positive impacts on society and desirable returns on investment.

For M&A opportunities, the EHS&S Committee provides a venue for consultation with the Board about the risks and opportunities associated with target businesses and assets. For example, one of the key considerations for our management and the Board for any prospective new asset is whether it is compatible with Huber's high EHS&S standards.

Likewise, the Huber family understands the role sustainability plays in the Company's performance and resiliency. The shareholders have bold environmental and social expectations, which serve as drivers for future generations of profitable, sustainable growth.

The Huber Family Expectations project is an example of a family governance best practice designed to seek alignment among the family as owners, the Board and management on key subjects including sustainability/ESG expectations to drive long-term multigenerational business performance.

# Compliance

**Standardizing our approach** to maintaining compliance, managing risk and adapting to change helps drive consistent results at Huber locations around the world. Our approach is based on a “plan-do-check-act” cycle of continuous improvement.

Huber first developed its Global Environmental, Health & Safety Management System in 2005 and in 2018 completed a major upgrade on what is now the Huber Sustainability Management System (HSMS).

The HSMS is based on and designed to be consistent with relevant international standards, such as ISO14001 and Responsible Care 14001; these global environmental management guidelines are designed to help organizations improve their resiliency with respect to compliance, risk and change management. In addition to their HSMS conformance, four Huber sites—CP Kelco plants in Lille Skensved, Denmark, and Großenbrode, Germany, and the Huber Engineered Materials facilities in Bergheim, Germany, and Breitenau, Austria—have pursued and achieved ISO14001 Certifications from external certifying organizations.

As part of this system, Huber locations conduct site-level assessments to identify process safety and EHS&S risks



associated with products, materials, chemicals, equipment, occupational safety exposures, environmental aspects, operational and business processes and more. In addition to assessing risk, sites must also identify all applicable permits, regulations and enforceable standards and compile them into a single plan that details how the site maintains continuous compliance with all regulatory obligations. The process is ongoing, with updates made based on site performance, changes and corporate lessons learned.

Our employees are empowered to improve performance, whether suggesting a change based on their day-to-day work, continuous improvement initiatives at the sites, through organized Energy Treasure Hunts focused on energy intensity improvement, or by using Huber’s EHS&S Data Management platform (Enablon®) to record, track and analyze performance and share best practices.

To identify and prioritize site risks, Huber developed an internal risk matrix as a core component of the HSMS. The HSMS and the risk matrix represent the natural evolution of Huber’s risk management program and offer us a clearer blueprint for the journey toward world-class performance. Huber has completed environmental risk assessments at 83% of its facilities, not including four locations acquired in 2021. The Company is in the process of implementing the HSMS at each of these new sites. The formal EHS&S Risk Assessment is a key element of this implementation and will be facilitated in the near future.

Leaders learn about analyzing energy use data during the 2022 Huber Global Sustainability Summit.

## TRAINING

Huber employees received Compliance training as part of our established three-year rotation schedule. New administrative employees receive this training within 90 days of joining the Company.

We leveraged the newly deployed Huber Learning Management System to provide global risk and compliance training in 2021. This platform makes it easier to initiate training, track progress and provide reminders as needed. During the year, employees completed 6,195 courses in the following areas:



EU General  
Data Protection  
Regulation



Global  
Anti-bribery



Global  
Antitrust



Global  
Business Ethics



Global  
Conflicts of Interest



Global Fraud



Harassment Prevention  
(US and Global workplace)

### Huber trained:

**2018** | **1,974**  
employees

**2019** | **1,834**  
employees

**2020** | **1,502**  
employees

**2021** | **1,428**  
employees

As the targeted training courses take place on a three-year cycle, the number of employees required to complete the training varies from year to year. Our program completion rate is 100%, reflecting the Company's goals to provide on-time performance and training.

## MARKET ACCESS, TRADE COMPLIANCE & DISTRIBUTION

Huber is a global business, selling nearly 5,000 products into more than 110 countries. The Trade Development program added capabilities to strengthen how it supports all three portfolio businesses.

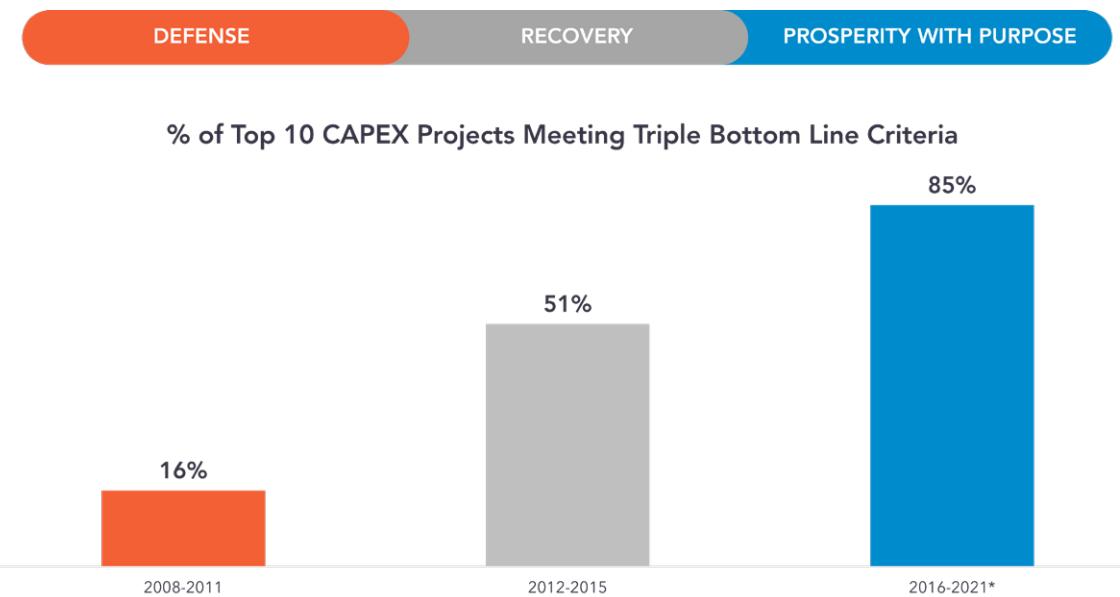
Throughout 2021, Huber completed compliance program assessments for Trade Development and Anti-Bribery and resources were added in the area of export compliance to meet the growing needs of the portfolio businesses. The Thompson Reuters ONE SOURCE® Global Trade Content continues to be an integral part of our Compliance program capability.

As raw material shortages and supply chain challenges affected each business differently, sales and marketing teams continually adjusted to meet the needs of their customers. HEW adjusted its order intake and fulfillment process to help minimize delays and capitalize on demand for its products. CP Kelco refined its customer segmentation model to differentially serve core customers. HEM had multiple sales and marketing wins: Huber AgroSolutions invested in marketing talent and launched numerous commercial tools, while Huber Specialty Minerals and Huber Advanced Materials gained meaningful new customers in multiple segments.

# Capital Deployment

**One of the most important aspects of our approach** to sustainability is the responsible reinvestment of our profit into business resiliency. In 2021, the Company executed the largest organic capital deployment program in its history, positioning Huber for future profitable growth. Throughout the year, Huber reinvested nearly \$240 million into the business to fund new growth and innovation projects or critical initiatives designed to strengthen the long-term competitive position of Huber's existing portfolio.

As a key objective of this strategy, proposed capital investments must include an analysis of their sustainability attributes. More than 50% of capital spending is committed to projects that have significant positive sustainability impacts. In 2021, 95% of our largest capital projects—those over \$300,000—will provide significant positive impacts beyond economic performance, with positive sustainability characteristics including improved employee safety or environmental efficiency.



Huber's financial performance from 2008 through 2021 can be broken down into three categories: Defense against the effects of the Great Recession, Recovery and Prosperity with Purpose. The Company's growing financial strength enables increased CapEx spending and more projects providing sustainability benefits.



Project SCOOP (Supply Chain Optimization of Packaging) provides automated packaging of all food-grade products produced in Okmulgee, Oklahoma, as well as those from the plant in San Diego, California. The last steel beam, signed by employees, was hoisted into place in May. In construction, the addition of the evergreen tree has come to represent good luck for future occupants.

The tree was later planted near the Okmulgee plant's entrance.

Here are a few examples:

- **CP Kelco** completed three projects to improve operational flexibility and efficiency at the xanthan and gellan gum plant in Okmulgee, Oklahoma. These efforts included a new recovery line and distillation column, the installation of a new packaging line and a new system designed to scrub the exhaust from the dryers. The total cost of these projects was \$75 million, one of the largest capital investments in CP Kelco's history.
- **HEM** continued work on a \$92 million natural gas-fired power plant at its site in Bergheim, Germany, with a planned completion in the third quarter of 2023. Once commissioned, this will change the site's power source from coal to natural gas, which will reduce its carbon emissions by approximately 40%—and the entire Huber enterprise's emissions by 8%. The highly capital-intensive HAM SBU also conducted a fundamental review of planned expenditures to optimize its strategy.
- **HEW** proactively planned and executed press drum replacements at its plants in Broken Bow, Oklahoma, and Spring City, Tennessee, at a total cost of approximately \$4.2 million, to reduce unscheduled downtime risk and exposure.

Beyond our internal plant capital program, Huber has maintained substantial excess cash reserves to enable other strategic investments, especially M&A. Last year, we deployed \$334 million to complete four strategic acquisitions.

# Risk Management

**Although family-owned, Huber endeavors** to operate with transparency and leverages the best practices of a public company, including having a robust governance structure with professional management and independent boards, and publishing an annual report and proxy statement for shareholders.

Huber employs holistic financial reporting, and each portfolio business is audited annually. The Company maintains several robust processes to plan for and protect its financial stability, including budget forecasting, a formal risk appetite statement, a process for protecting its intellectual property, and pipelines for Mergers & Acquisitions, productivity and commercial activity.

Huber engages in detailed peer benchmarking by portfolio business as well as the whole corporation. In addition to financial ratings from Moody's and S&P, these agencies have acknowledged our commitment to Environmental, Social & Governance.

Business decisions throughout the organization are made based on a risk's acceptability. Prioritized risks are managed strategically through business process adaptations (commercial and operational) and capital funding deployment for mitigation efforts. Huber also carefully evaluates risk when it comes to new product development and M&A activity—the Company has at times abandoned an acquisition opportunity because the business in question was deemed too risky from a safety or compliance perspective, or its culture did not align with the Huber Principles.

**“Huber operates in an ever-changing, increasingly uncertain world. With the Huber Principles as our guide, we’ve shaped our approach to risk management to focus on employee safety, business continuity, monitoring for threats and being proactive in our planning.”**



**John Taylor**  
Huber Chief Ethics & Compliance Officer and  
Chief Risk Officer – CP Kelco

## DATA PRIVACY & CYBERSECURITY

Huber continues to update its cyber awareness program in response to a rise in threats against information technologies. When new threats emerge, we make efforts to enhance our training programs. Development has begun for an enhanced Huber Fraud Awareness campaign, with a focus on social engineering, technology and banking exposure management. Huber's IT Management Council uses phishing prevention exercises to ensure that our global workforce remains vigilant against these ongoing threats and

is empowered to make good security decisions. We also use Enablon® software to track all IT cyber security incidents, including phishing attempts and stolen equipment.

Cybersecurity threats are also a risk for the process control system networks utilized by each plant to operate equipment and control systems. Process Control Cybersecurity Procedures are in effect for each site, with annual audits to ensure compliance.

The organization deploys a New Workforce Member Security Awareness Training requiring all new employees to complete cyber security instruction with three weeks of their starting date. Huber consistently drives the completion of this training, attaining 100% compliance. Additionally, all employees with computers receive annual cyber awareness training and use authorization in order to retain their access to the system.

Cybersecurity training for office employees includes risks related to Business Email Compromise, Data Leakage and Ransomware due to their heightened exposure to cyber risk in an administrative environment. For plant employees, the training covers Physical Security, Social Engineering and Responsible Use of the Internet.

Administrative employees also received comprehensive training on cybersecurity, including key risks related to business email exposure, social engineering schemes, information protection strategies and the rise of ransomware globally.

At manufacturing sites, training included physical security, social engineering risks and the responsible use of the internet. To reflect the current risk environment, Huber updates its cybersecurity training program annually.

The Company also launched several employee communications to warn against social engineering scams, such as pandemic-related phishing campaigns.

## INTELLECTUAL PROPERTY

In an increasingly competitive business environment, Huber must protect and expand its competitive position for each major product line within the Huber portfolio, with a particular focus on the specific "crown jewels" that comprise the heart of Huber's sustainable competitive advantage over the long run. Investing in innovation is not enough; we also take steps to protect and leverage our innovations and intellectual property.

Huber leaders discuss Huber's Information Protection Policy and ways to strengthen the Company's training process.



Huber's Information Protection Policy sets guidelines for classifying and securing proprietary information, including confidential information and trade secrets. This includes the sharing of data with business partners and customers, cybersecurity protocols and physical security requirements for Huber's plants and offices. Unauthorized disclosure or use of proprietary information can lead to serious or complete loss of value.

Employees should also respect the intellectual property rights of others. Inappropriate use of others' intellectual property may expose Huber and the employee to criminal civil fines and penalties. Employees are instructed to seek advice from Huber's Legal department before soliciting, accepting or using proprietary data from individuals outside the Company, or letting them use or have access to Huber proprietary information.

### **ASSESSING AND ADDRESSING RISK**

Risk management also involves preparing for and monitoring external events that have the potential to affect Huber's employees, locations, operations, customers or supply chain.

As a part of Huber's Enterprise Risk Management structure, operational management teams conduct regular business management risk assessments using an internal, cross-functional risk matrix. New risks are identified through monitoring the external environment, and internally, such as when new information becomes available through change management, incident investigations, analysis of events that have occurred at Huber sites and process hazard reviews.

All risks are aggregated at the corporate level and prioritized. Risk mitigation plans are developed based on potential impact or severity, likelihood and whether it is a near-term or long-term possibility.

Huber's incident response framework allows for the creation of Incident Response Teams (IRTs) that include representatives from different functions, portfolio businesses and major regions depending on the type, severity and duration of the incident. Huber's crisis management elements include having established relationships with third parties in order to draw on their expertise for guidance and support if needed.

### **Pandemic Protections**

Huber's IRT framework enabled us to quickly create a sophisticated and robust COVID-19-specific response governance structure. The COVID-19 IRT has supported the objectives of employee safety and continuity of operations throughout the global pandemic since this emergency response team formed on January 22, 2020. This IRT will remain active as long as necessary to protect our work environments.

Huber's global COVID-19 IRT has met nearly every week since to examine evolving research from expert sources, external benchmarking and governmental guidance, as well as updates from colleagues on local conditions, operations and supply chain interruptions. With the pandemic into its second year, the Company remained focused on the objectives of employee safety and business continuity as our people worked to overcome COVID-19-related issues such as contractor and supplier staffing issues and a brief shutdown of the CP Kelco plant in Wulian, China, by local regulatory authorities in response to high case rates in the surrounding area.

Thoughtful discussions within the COVID-19 IRT and with the Human Resources community helped balance the needs of the individual with those of the workforce at large. Based on these discussions, the IRT advises the Huber Management Council of necessary adjustments to Company protocols. Following each meeting, the IRT sends an overview



A supervisor at the CP Kelco Zanea Seaweed site in Zanzibar shows off his bandage after receiving a COVID-19 vaccination at a Huber-sponsored clinic.



Extreme cold from the Polar Vortex, with temperatures dipping as low as -2°F (about -19 °C) at the HEM site in Bauxite, led to frozen and burst pipes throughout the facility.

to local site leaders to alert them of relevant updates to the response program.

The Company emphasized the importance of a layered protection model, which included social distancing, daily health screenings, temperature checks before entering the workplace, proper mask selection and use, health hygiene practices, location cleaning protocols, diagnostic testing and contact tracing, improved ventilation and air filtration, site density management, remote work options and direct employee communications.

We strongly encouraged vaccination protection against COVID-19 for existing employees—providing education, access to doses, incentives and disincentives—and required new hires in some administrative offices and plants to be vaccinated. The Company also established a process to capture and track employee vaccination status.

With the availability of boosters, Huber made site-level clinics and nurses available as needed, and local IRT teams have arranged community

health clinics in Oklahoma, Illinois and Zanzibar. At the sites in Atlanta, Georgia; Edison, New Jersey; San Diego, California; and Okmulgee,

Oklahoma, the Company arranged to have an on-site nurse to handle COVID-19 testing for events and travel, administer vaccines and boosters, offer access to antiviral treatment and answer general wellness questions.

Over 77% of all Huber employees chose to become vaccinated by the end of the year. Thanks to these layered protection efforts, there were no serious business continuity issues that could have led to extended Huber shutdowns in 2021.

### **Weather-Related Responses**

The incident response framework was used to address impacts from a February 2021 Polar Vortex freeze event at the manufacturing sites in Bauxite, Arkansas, and Okmulgee, Oklahoma. From the outset, the Huber teams worked to restore plant operations as soon as practicable, all while juggling efforts to ensure that our customers were impacted as minimally as possible. The risk management organization closely collaborated with these operations and our insurers to successfully recover appropriate insurance claims.



## EXPANDING THE FRAMEWORK

Building on this experience, we expanded the Incident Response program for Huber to deepen our evaluation of physical and transitional climate risk, with further program enhancement throughout 2022.

Huber completed a resiliency study in partnership with Aon, a professional services firm specializing in financial risk mitigation products, at the CP Kelco plant in San Diego, California. A similar study is planned for the CP Kelco facility in Okmulgee, Oklahoma, in late 2022, with the Wulian, China, plant to follow in 2023.

The IRT framework also has the agility to address geopolitical and societal events. For example, Huber formed an IRT in early February 2022 to proactively address any business continuity issues that could potentially arise from the invasion of Ukraine by Russian military forces. These potential problems include supply chain disruptions, operational impacts, order fulfillment challenges, cyber security

threats, banking system discontinuity, raw material access issues and rising energy costs.

Although sanctions applied against Russia had no impact on our business, in March, the Huber Management Council decided to cease all future sales to Russia. In terms of procurement management, Huber cancelled future orders for raw materials and supplies sourced directly from Russia. Furthermore, we put a rigorous process in place to ensure that Huber remains in compliance with the comprehensive sanctions implemented by the United States, European Union, United Kingdom and Canada.

In response to soaring natural gas prices in Europe as a result of the Russia-Ukraine conflict, Huber has delayed the planned start-up of the new gas-fired power plant at the Martinswerk site in Bergheim, Germany. Martinswerk will instead continue to operate the existing lignite coal plant until the situation in Europe improves.



# Principles in Action

**Huber takes a collaborative approach** to ensuring its ethics program is responsive to the ever-changing global business landscape, compliant with laws, regulations and corporate policies, as well as relevant to our workforce. We do this by forming cross-functional workgroups, such as the Huber Ethics & Compliance Council, Labor Management Team and Incident Response Team, to monitor the new threats and opportunities Huber faces, strengthening our programs accordingly under the auspices of the Ethics Office.

To engage employees with our ethics program, Huber launched Principles in Action in 1999. Using the Huber Principles to guide our business conduct, the Ethics Office has been updating the program to help guide employee behavior, identify risk areas they may come across in their jobs, and explain what actions to take and avoid.

To help new employees and provide a convenient refresher for workforce, "Guidelines for Ethical Behavior" was published in April 2022. The streamlined guide brings together the four Huber Principles, Code of Conduct and process to share a question or concern, along with an affirmation that the information has been reviewed and understood. In addition, Huber published learning tools about Ethics as well as Human Rights and Labor to provide more context on the expectations for Huber employees in their day-to-day work.

Huber's monitoring processes are overseen by the Principles & Policy Committee, a subset of the Huber Management Council, with support from

Human Resources and Legal. Most matters are raised and addressed through HR and management channels. In 2021, we worked with NAVEX Global to expand the language offerings within Huber's Ethics Line, which is available 24 hours a day online or by phone, so employees can easily report concerns in their native language.

We take employee ethics concerns seriously and employ a strict whistleblower procedure. Once reported, Huber follows a diligent process to promptly review and investigate any issues.

There were 14 Ethics Line reports during 2021, and all were thoroughly investigated at the site level. No material or systemic issues were uncovered during the inquiry and in all cases, there was direct feedback to the employee regarding the findings.

One of the tools we use to measure how well Huber is adhering to its values and policies is the Ethics Questionnaire, delivered annually to employees with compliance requirements as part of their normal job responsibilities (which in 2021 was about 1,800 members of Huber's workforce). The questionnaire covers the year's activities and provides another opportunity for employees to raise any issues regarding adherence to the Huber Principles, DE&I practices, safety protocols or compliance matters. In total, 99.8% of all surveyed employees completed the questionnaire. The overall results of the Ethics Questionnaire were free of any material concerns and consistent with a robust ethics program.

# IMD-Pictet Sustainability in Family Business Award



Don Young, Executive Vice President & Chief Sustainability Officer, and Lea Volpe, Director of Corporate Communications & Community Relations, accept the award—designed and made by Chopard, a family-owned jewelry company—from IMD Professor Sameh Abadir (left). Young and Volpe also taught a class at IMD about Huber's ESG commitments and activities.

**After numerous delays** due to COVID-19, the International Institute for Management (IMD), a prestigious Swiss business school, and the Pictet Group, a global wealth management company, awarded Huber the 2020 IMD-Pictet Sustainability in Family Business Award in Lausanne, Switzerland, on June 30, 2022.

More than 60 international businesses from four continents vied for this global award, which recognizes family-owned enterprises for their efforts, performance and progress in the field of sustainability. In selecting Huber as the winner, a jury of independent experts lauded how deeply we have embedded sustainability into our business strategy, with Triple Bottom Line considerations of People, Planet & Profit assessments a part of new product development, large capital projects, I Belong at Huber and Huber Helps. We also received praise for celebrating sustainability performance as part of the Company's Mike Huber and Outstanding EHS&S (Environmental, Health, Safety & Sustainability) Awards to employee teams.

IMD also published a case study on Huber, J.M. *Huber Corporation: Leadership Succession in the Face of Two Economic Crises* (2022), detailing how the Company's approach to sustainability and good governance helped facilitate CEO leadership transitions in 2009 and 2022, also noting that Huber was the winner of both the 2020 Sustainability and 2013 IMD Global Family Business awards. The case study will be part of a database for use in class discussions at IMD and other leading business schools across the globe.

The Prosperity with a Purpose phase of our Huber journey is dependent on having a sustainable company both from a business portfolio and an organizational development standpoint as well as by giving back to society. This accolade was made possible by the Company's strong management teams and dedicated employees throughout the corporation committing to our sustainability journey and understanding our role in shaping the world future generations will inherit.



# US Best Managed Company

**For the third year in a row**, Deloitte, a renowned global professional services firm, has named Huber on its list of Best Managed US Companies. This latest honor means Huber has been included every year since the program began in the US in 2019.

Top performing private companies are chosen to receive this award based on how well they are run, their achievements, and their contributions to society.

The judging panel weighed multiple factors in evaluating Huber's candidacy, including the rigor of our management processes with respect to strategic planning, operational execution, risk mitigation and financial management. Their selection of Huber also centered on our fostering of a dynamic, resilient culture built on strong core values.

We distinguished ourselves by embedding our sustainability philosophy of People, Planet & Profit into our business strategy and operations, developing a more inclusive workplace with the I Belong at Huber Diversity, Equity & Inclusion initiative and benefiting society through the Huber Helps community engagement program.

The honor is also a testament to the benefits of Huber's status as a family-owned company with our



Recognizing private company success

long-term commitment to capital investment, the ability to take a principled approach to decision making and the autonomy to chart our own course to grow value for our shareholders for generations.

Since launching the award in Canada in 1993, Deloitte has named private companies in more than 40 countries to its list. To be considered, eligible US private companies must have at least \$250 million in annual revenue. As part of the recognition, Huber was featured alongside 51 other honorees in a half-page section of *The Wall Street Journal* and on the Deloitte Best Managed Companies website. Huber was one of just nine winners from the manufacturing sector.

# Outstanding EHS&S Performance

**Huber's Outstanding Environment, Health, Safety & Sustainability (EHS&S) Performance award** recognizes manufacturing sites that exemplify best practices. This longstanding internal program fosters a strong ESG culture by rewarding excellent execution of key 2021 EHS&S strategies and initiatives, especially those related to reinforcing Huber's safety culture and our environmental performance goals.

The following five winning sites demonstrated a strong commitment to achieving superior sustainability results through learning and improvement, with representatives of each location receiving their plant's trophy during the 2022 Huber Global Sustainability Summit.

## BROKEN BOW, OKLAHOMA

This is the fourth win at Huber Engineered Woods' largest continuous-press plant, which manufactures ZIP System® roof and wall sheathing and AdvanTech® subflooring. As part of its EHS&S performance over the past year, the 160 employees at the site:

- Sustained occupational safety, process safety management (PSM) and fire safety performance—including helping employees improve their level of safety at home—with zero recordable injuries.
- Engaged employees in identifying exposures and provided employee recognition through well-established personal safety awareness programs, earning the Voluntary Protection Program Star designation from the US Occupational Safety and Health Administration (OSHA).
- Applied Triple Bottom Line (TBL) philosophies in project design and manufacturing processes including elimination of pedestrian/equipment exposures, installation of LED lighting and new energy-efficient equipment to improve air quality.
- Reduced energy intensity by 2% compared to 2020.
- Sustained Zero Waste-to-Landfill (ZWL) status.
- Supported community engagement through multiple employee-nominated Huber Helps projects.



## GROßENBRODE, GERMANY

A second-time winner, this CP Kelco plant manufactures ingredients for food and beverage products. Großenbrode's 150 employees attained remarkable improvements and achievements in 2021:

- Sustained PSM and occupational safety performance including a 38% risk reduction.
- Applied TBL philosophies in project design and manufacturing processes, especially those related to elimination of equipment/pedestrian exposures.
- Reduced the purchase of electricity by more than 50% relative to 2020 due to a disciplined focus on improved performance of existing equipment and new technology and processes.
- Sustained ZWL status.
- Activated application of Huber Sustainability

Management System (HSMS) to drive performance, with a focus on environmental management.

- Focused on safety reports and accelerated closure of action items (50% improvement over previous year) through leadership's use of Power BI data management tool.
- Demonstrated community engagement through Huber Helps, constructing a community meeting facility.



## LIMEIRA, BRAZIL

This is the third consecutive win for CP Kelco's Limeira facility, one of the largest pectin plants in the world, which manufactures this ingredient for use as a gelling agent, viscosity builder and stabilizer in food and beverage products. Here are some ways the site's 210 employees support a strong sustainability culture:

- Upheld excellent PSM and occupational safety performance (10 years without an incident).
- Engaged employees to assure continuous improvement in safety culture and performance.
- Applied TBL philosophies in project design and manufacturing processes including new molasses and peel washing projects with substantial safety, environmental and economic outcomes.
- Maintained ZWL status through a "Value rather than Waste" mentality.
- Activated application of HSMS to drive performance, building off the site's gold level of performance recognition.
- Supported community engagement through multiple Huber Helps projects including the first-ever deployment of the Habitat for Humanity program in South America.
- Received multiple third-party recognitions for the plant's sustainability performance.



## MARBLEHEAD, ILLINOIS

Winning this award for a second consecutive year, this small Huber Engineered Materials plant produces alumina trihydrate used in plastic and rubber products. Demonstrating significant EHS&S leadership, the 30 employees:

- Sustained a high level of occupational safety performance.
- Engaged employees in identifying exposures and designing projects including the use of 3D technology.
- Applied TBL philosophies in project design and manufacturing processes.
- Commissioned Huber's first industrial-scale solar array project (60%+ of site's power needs).
- Continued focus on waste reduction by not creating waste to begin with.
- Collaborated with the HEM site in Quincy, Illinois, on Huber Helps community engagement initiatives, including donating over 600 hours of volunteer time to make a local Girl Scout camp handicap accessible, in accordance with Americans with Disabilities Act (ADA) guidelines.



## WULIAN, CHINA

This is the fourth consecutive year that CP Kelco's Asian facility has won this award. Wulian manufactures biogums, a key ingredient for the global food, beverage and energy industries. The 240 employees at the site had a year of notable safety performance:

- Maintained PSM and occupational safety (eliminating key risks and going 10 years without an incident), particularly impressive considering the construction and commissioning of a major new gellan project.
- Engaged employees in identifying exposures and recognized their efforts through the "Trust, Communications, Teamwork and Employee Engagement" program.
- Applied TBL philosophies in project design and manufacturing processes, making improvements to fall protection, lifting devices and firefighting controls.
- Reduced purchased electricity use by 8.5% relative to prior year.
- Achieved a 11.4% reduction in water intensity versus 2020 arising from broad employee identification of opportunities.
- Sustained ZWL status.
- Utilized data management and action orientation to enable swift progression from problem identification to resolution.



# Mike Huber Awards

**The Mike Huber Awards honor the former CEO** who formalized the Huber Principles in 1987. As Huber's highest form of employee recognition, the program recognizes teams that demonstrate exemplary performance with respect to our guiding values.

The year 2021 marked the 11th anniversary of the Mike Huber Awards. The 47 entries received showed how Huber people around the world make a significant, positive difference through collaboration and a commitment to "Prosperity with a Purpose." The Huber Management Council (HMC) selected the top three submissions. The following slate of honorees has been presented to the Huber Corporate Board of Directors and endorsed by the Huber Family Council Board.



## GOLD: Atlanta Innovation Center

### CP Kelco

CP Kelco, a global leader of nature-based ingredient solutions, invested into their commitment to provide a world-class customer experience and deliver on the brand's promise of "Unlocking Nature-Powered Success" with the creation of a customer-focused, world-class laboratory—the Atlanta Innovation Center (AIC).

Located at Huber's office in Atlanta, Georgia, the AIC is designed as an open, collaborative space. Here scientists and customers alike can engage in ingredient research, problem-solving, development and pilot plant scale-up of food, beverage, home care, personal care and other consumer and industrial products.

The facility is staffed with a team of more than 20 scientists and application specialists. Hiring efforts demonstrated CP Kelco's commitment to Diversity Equity & Inclusion, representing variety in skillsets and demographics.

The Principle of Environmental, Health & Safety (EH&S) Sustainability was a major priority from the perspectives of energy conservation, choice of construction materials and observing pandemic

safety measures. Despite COVID-19 and with proper protocols in place, the AIC hosted customers, resulting in new business.

A focus on the Huber Principle of Respect for People was clear throughout the cross-country transition from the former innovation center in San Diego, California, to the new facility. The team recognized employees at the former site and provided them with an opportunity to continue in Atlanta. Employees in San Diego; Limeira, Brazil; and Lille Skensved, Denmark, supported projects to maintain business continuity while the transition to the new lab was underway.



Gold-winning team representatives with CEO Gretchen McClain (left) and CP Kelco President Didier Viala (third from left) at HUBERpalooza, the Annual Meeting of Shareholders weekend for the Huber family.

## SILVER: Growing Better Together — HAS Integration

### Huber Engineered Materials



Huber Engineered Materials acquired Miller Chemical & Fertilizer (Miller) in 2019 as the basis of a new strategic business unit in the specialty agriculture space now known as Huber AgroSolutions (HAS).

Guided by the Huber Principle of Excellence, the HAS Leadership Team collaborated—with strong support from HEM Central functions—to implement new capabilities across the organization. Change came in the form of 18 new hires for key positions, as well as updated processes, systems and tools.

The team implemented data-driven and country-specific product and marketing strategies, including the launch of a new Miller website, an enhanced social media presence, product brand refresh, as well as comprehensive product training for employees.

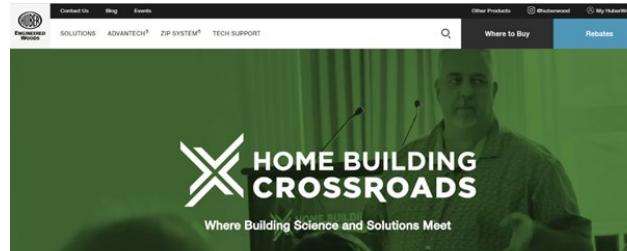
Process-wise, the team launched new commercial tools, including customer relationship management software and the development of a "Preferred Partners Program" for strategic distributors, and established manufacturing requirements for planning systems.

A new Sales & Operations Planning process supported a 30% increase in demand. Additionally, the team launched a regulatory information management system to effectively manage compliance matters.

Miller has a long history as an innovator in the industry, creating safe specialty crop protection adjuvants, additives, soluble fertilizers and bio-stimulants for the global agricultural industry that reduce the environmental impact of crop protection and farm productivity measures.

## BRONZE: Marketing Communications Digital Transformation

### Huber Engineered Woods



By specializing in innovative solutions to keep homes peaceful, comfortable and safe throughout the years, roof, wall and flooring applications from Huber Engineered Woods enhance the performance of buildings and the lives of people inside them.

The HEW Marketing Communications Department implemented a digital-first strategy for communications and events to keep current and prospective customers engaged during the pandemic. Shifting from traditional advertising and education methods to online experiences exemplifies a commitment to long-term efficiency, as well as the Huber Principles of Excellence and Respect for People.

A cross-functional Growth Marketing, IT, Legal and Product Engineering team led efforts to overhaul the HEW website to better inform builders, doubling website traffic.

HEW quickly transitioned in-person educational programs to online platforms, which grew event attendance and enabled HEW to host an industry-leading virtual International Builders' Show experience, improving participation and lead generation.

Home Building Crossroads provided builders, architects and specifiers the opportunity to connect with other residential home construction professionals to network, discuss challenges and hear solutions from today's leading experts.

This effort demonstrated agility and collaboration, catapulting HEW's competitive advantage in branding and education for its specialty products.

# Reporting Platforms Overview

**At Huber, we believe that transparency builds trust** and accountability, which contribute to driving real improvement and change. Huber is committed to continuous improvement across all sustainability issues. By being transparent about our sustainability efforts, we demonstrate that the organization takes appropriate actions when assessing and responding to near- and long-term climate-related risks, showing our commitment and resiliency to all of our stakeholders.



Huber utilizes the Supplier Ethical Data Exchange (Sedex) platform as a supplier to provide transparency to customers regarding our responsible, social and environmental manufacturing practices through self-assessments and SMETA (Sedex Mender Ethical Trade Audit) results. CP Kelco currently has six manufacturing sites registered with Sedex and Huber Engineered Materials has one. We currently use this platform to provide transparency to 30 Huber customers. Our buyers also use Sedex as a tool to gain insight into the responsible, social and environmental manufacturing practices of our own supply chain. Huber is currently connected to 79 active supply chain partners (133 manufacturing facilities) in the platform.



Using international sustainability standards covering 200+ industries and 160+ countries, the EcoVadis platform assesses an organization's Environmental, Labor & Human Rights, Ethics and Sustainable Procurement practices. Huber is an active supplier on the platform. In June 2022, Huber received a Silver rating from EcoVadis. This year, Huber increased our scores for Human Rights, Ethics and Sustainable Procurement. We will continue our commitment to continuous improvement and ESG excellence in alignment with EcoVadis criteria.



For 11 years, Huber has reported to the CDP, a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. In 2021, Huber was recognized as Management Level and achieved a "B" score for our Climate Change disclosure. Huber's score exceeds the average performance North American businesses as a whole ("C") and the global average ("B-"). Huber received an "A" in Governance.

These high scores from one of the gold standards of third-party environmental performance ratings signify that Huber is taking coordinated and appropriate action on climate issues.

# ESG-Related Metrics

**Huber is committed to transparency in reporting.** These metrics are related to our 2021 production processes, including our demographic representation within various levels of the Company, energy and water usage, and waste disposition.

## 2021 AT A GLANCE

### DIVERSITY, EQUITY & INCLUSION

Workers from diverse groups employed in relation to the whole organization\*:

**30.6%**  
(+0.6% from 2020)

Women employed in relation to the whole organization:

**20.8%**  
(+0.4% from 2020)

Workers from diverse groups in top executive positions\*: (excluding boards of directors)

**33.2%**  
(+2.7% from 2020)

Women in top executive positions: (excluding boards of directors)

**25.1%**  
(+1.5% from 2020)

Directors from diverse groups\* on the Huber Board and Management Boards: (voting Directors only)

**37.5%**  
(+2.2% from 2020)

Women on the Huber Board of Directors and Management Boards: (voting Directors only)

**15.6%**  
(+0.9% from 2020)

### CLIMATE & WATER

#### 2021 total Energy consumption

**5,578,088**  
megawatt hours (MWh)  
CP Kelco: 2,307,604 MWh  
HEM: 1,240,097 MWh  
HEW: 2,030,387 MWh

#### 2021 total Water consumption

**11,036,539**  
cubic meters (m<sup>3</sup>)  
CP Kelco: 6,160,050 m<sup>3</sup>  
HEM: 4,426,865 m<sup>3</sup>  
HEW: 449,624 m<sup>3</sup>

2021 Scope 1 emissions  
(direct greenhouse gas emissions from our manufacturing processes)

**753,896**  
metric tons (MT)  
CP Kelco: 316,840 MT  
HEM: 304,487 MT  
HEW: 132,569 MT

2021 Scope 2 emissions  
(indirect greenhouse gas emissions associated with purchased energy)

**456,621**  
metric tons (MT)  
CP Kelco: 250,778 MT  
HEM: 96,816 MT  
HEW: 109,027 MT

### NON-HAZARDOUS WASTE

### CIRCULARITY

#### 60% Byproduct/reuse

277,388 metric tons  
CP Kelco: 187,329 MT  
HEM: 2 MT  
HEW: 90,057 MT

#### 8% Landfilled

38,388 metric tons  
CP Kelco: 4,058 MT  
HEM: 22,183 MT  
HEW: 12,147 MT

#### 27% Waste-to-energy

125,574 metric tons  
CP Kelco: 108,004 MT  
HEM: 131 MT  
HEW: 17,439 MT

#### 5% Recycled

23,425 metric tons  
CP Kelco: 16,621 MT  
HEM: 5,958 MT  
HEW: 846 MT

### HAZARDOUS WASTE

1,273 metric tons  
CP Kelco: 241 MT  
HEM: 1,031 MT  
HEW: 1 MT

\*We focus on diversity as a whole, not only US minority status, as race/ethnic information is not necessarily recorded internationally. These metrics consider diversity as US minorities plus women worldwide (minority women are only counted once).

# Huber Operations Around the World

## J.M. Huber Corporation

Atlanta, Georgia, US — Corporate Office

Edison, New Jersey, US — Global Headquarters

Dublin, Ireland — JMH Finance Corporation

## CP Kelco

Atlanta, Georgia, US — Global Headquarters, Global Innovation Center of Excellence, Regional application Lab

### AMERICAS

Limeira, São Paulo, Brazil — Manufacturing (Pectin), Customer Service, Regional Application Lab, Global Innovation Center

Matão, São Paulo, Brazil — Manufacturing (Citrus Fiber), Citrus Peel Processing (Pectin, Citrus Fiber)

Mexico City, Mexico — Sales

Oklahoma, Oklahoma, US — Manufacturing (Xanthan Gum, Gellan Gum)

San Diego, California, US — Manufacturing (Gellan Gum, Fermentation-Derived Cellulose/RDLA)

### EUROPE, MIDDLE EAST AND AFRICA

Dubai, United Arab Emirates — Sales, Customer Support, Regional Application Lab

Genk, Belgium — Sales

Großenbrode, Germany — Manufacturing (Pectin), Customer Support

Leatherhead, Surrey, UK — Sales, Customer Support

Lille Skensved, Denmark — Manufacturing (Pectin, Carrageenan, Refined LBG), Customer Service, Global Innovation Center, Regional Application Lab

Paris, Levallois-Perret, France — Sales, Customer Support

Zanzibar, Tanzania — Seaweed Procurement

### ASIA PACIFIC

Mumbai, India — Sales, Customer Service Technology/Regional Application Lab

Shanghai, China — Asia Pacific Region Headquarters, Customer Service Technology/Regional Application Lab

Singapore — Sales, Customer Service, Technology/Neutral Dairy Beverages Center of Excellence, Regional Applications Lab

Tokyo, Japan — Sales, Customer Service

Wulian, Shandong, China — Manufacturing (Xanthan Gum and Diutan Gum)

## Huber Engineered Materials

Atlanta, Georgia, US — Global Headquarters

### AMERICAS

Bauxite, Arkansas, US — Manufacturing (Huber Advanced Materials, HAM)

Fairmount, Georgia, US — Manufacturing and Technical Center (HAM)

Hanover, Pennsylvania, US — Manufacturing, Sales (Miller Chemical & Fertilizer, Huber AgroSolutions, HAS)

Kennesaw, Georgia, US — Manufacturing (HAM)

La Mirada, California — Manufacturing (Nutri-Granulations, Huber Specialty Minerals, HSM)

Marble Falls, Texas, US — Manufacturing (HSM)

Marble Hill, Georgia, US — Manufacturing (HSM)

Marblehead, Illinois, US — Manufacturing (HAM)

Quincy, Illinois, US — Manufacturing (HSM)

Rifle, Colorado, US — Manufacturing (Natural Soda LLC, HSM)

### EUROPE

Bergheim, Germany — Manufacturing (HAM)

St. Jakob-Breitenau, Austria — Manufacturing (MAGNIFIN Magnesiaprodukte GmbH & Co. KG, HAM)

### ASIA PACIFIC

Qingdao, Shandong, China — Office (HAM)

Shanghai, China — Office

## Huber Engineered Woods

Charlotte, North Carolina, US — Headquarters

Broken Bow, Oklahoma, US — Manufacturing

Commerce, Georgia, US — Manufacturing, Innovation Center

Crystal Hill, Virginia, US — Manufacturing

Easton, Maine, US — Manufacturing

Spring City, Tennessee, US — Manufacturing

## Huber Resources Corp

Old Town, Maine, US — Headquarters

