

Sustainability Report



It is my pleasure to share the story of Carus LLC, its people, and mission to deliver solutions to make the world in which we live a more sustainable, cleaner, and safer place. The primary goal of sustainability is to create a balance between the economy and the environment, to meet present needs while also preserving the ability of future generations to meet their needs.

Carus knows something about balancing the present with the future. The company has been in business for over 100 years. During this time, Carus has continually improved its manufacturing efficiencies while delivering products used for water treatment, air purification, and soil remediation. Carus has created a legacy while building on the past, providing for the present, and planning for the future.

Carus is unique in that it is the only USA-based manufacturer and supplier of the products it produces to help municipalities and businesses achieve their environmental goals. These products are used in thousands of drinking water treatment plants across the USA and Europe.

While Carus' business mission is based on creating sustainable chemistry products, it is the chemistry of our people that allows us to be successful. We are made up of a diverse group of more than 170 people who work at four locations in the USA; we also have a European sales and logistics group. Our people are highly engaged and come from diverse backgrounds to operate our business as we focus consistently on three key things:

- The safety of people
- Compliance with all regulatory requirements
- Delivering sustainable chemistry solutions to improve the world in which we all live

Carus' leaders encourage continual innovation with strong employee engagement and collaborative cross functional groups. This allows us to create sustainable practices in our commercial and manufacturing operations as we balance present and future goals.

“Carus LLC will continue delivering products that support the UN Sustainable Development Goals (SDGs) to clean and protect the air, water, and soil. We do this while improving our energy usage during the manufacturing process.”

In recent years, Carus has also invested \$1.1 million dollars in technology and manufacturing practices to continually improve emissions efficiencies and another \$2.7 million in other environmental improvements. Between 2018 and 2021, Carus reduced hazardous air pollutants by almost 50%, prioritizing spending to impact emissions, all while increasing production.

Carus works closely with industry partners like the American Chemistry Council (ACC) to continually improve and achieve our sustainability goals. The ACC continually monitors the latest best practices for sustainability and they share this information with stakeholders.

Like Carus, the ACC believes creating a sustainable future requires commitments from everyone: individuals, communities, governments, business, and the industry. It is our pledge to continue delivering products for today that will ensure the next generation a better tomorrow.

Regards,

Inga Carus

RESPONSIBLE CARE®

Carus' relationship with the American Chemistry Council (ACC) is instrumental in achieving our sustainability goals. The ACC's Responsible Care® program gives us access to world-class environmental, health, safety, and security performance initiatives.

One of the key principles of this worldwide program is to help companies ethically deliver products that benefit society, the economy, and the environment. Through this program, our LaSalle, Belmont, and Peru locations are all certified by third-party auditors confirming we meet all Responsible Care standards.

Product Quality and Safety

Product quality and safety are foundational elements of sustainability. For this reason, Carus works closely with supply chain partners to ensure the safe handling of our products. Our team routinely conducts safety and handling webinars to ensure the safety and integrity of products, and Carus' top-notch technical service employees help customers with questions regarding the application and use of products.

Carus is committed to consistently providing products that meet customer and regulatory requirements and to increase customer satisfaction through continual improvement. Carus' LaSalle manufacturing site is ISO 9001 certified by NSF-ISR and Carus Europe, S.L by Lloyd's Register. Carus maintains a Quality Management System that meets requirements set by the International Organization for Standardization.

Stakeholders

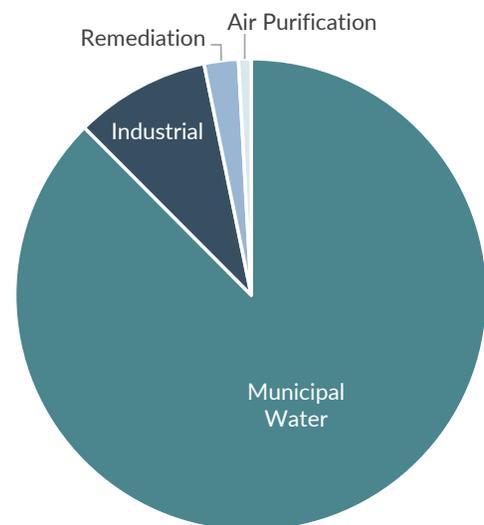
Stakeholders help drive us to continually improve and fulfill Carus' sustainability goals. External stakeholders consist of a wide range of people and organizations: leaders and citizens in the communities where we operate, customers, regulatory agencies, contractors, suppliers, and others. Internal stakeholders are key to advancing our daily sustainability goals because it is their daily

commitment and passion that drive our product quality and safety successes.

Markets Served

Carus is honored to produce products and technologies that help to make the world a more sustainable, cleaner, and safer place. These products and technologies are used in key markets to accomplish the following:

- Remediate contaminated soils by removing carcinogens
- Improve wastewater treatment by removing noxious odors and restricted substances
- Control corrosion in drinking water related to lead and copper
- Improve drinking water treatment by reducing odors, tastes, and harmful metals
- Destroy hazardous air pollutants such as ethylene oxide, carbon monoxide, and ozone



Determining Report Content

As we set out to prepare this sustainability report, we considered stakeholder requests and the needs of the communities where we operate. Then, we benchmarked using other relevant sized companies in our industry sector. As a result, we determined

the following topics to be most important: occupational health & safety, water, recycling, energy & emissions, waste, economic performance, and employees.

Occupational Health & Safety

Carus employees are the company's most important asset, and therefore safety is an integral part of our daily sustainability goals. For this reason, Carus is committed to protecting the health and well-being of the people involved in our business; this also includes our communities and customers.

We believe that all incidents are preventable, and this is why we work to document all incidents into our corporate incident reporting system. This includes near misses, contractor incidents, and customer incidents involving our products. To continually improve, incidents are thoroughly investigated, and we look for themes and takeaways to determine ways that we can improve our overall safety performance and eliminate workplace incidents.

Safety Accomplishments

Because sustainability goals and safety go hand in hand, we celebrate our people when they achieve safety excellence!

- The team at the Carus LLC-Belmont facility has gone 21 years without a recordable incident! For their diligence, the North Carolina Department of Labor (2019) honored them with the 5-Year Gold Award.
- The Belmont team was also recognized by the American Chemistry Council with the Certificate of Excellence (2020) for zero fatalities, zero days away from work cases, and zero job transfer or restriction cases for both employees and contractors.
 - The Carus LLC-LaSalle team was honored by the American Chemistry Council with the Certificate of Excellence (2020) for zero fatalities, zero days

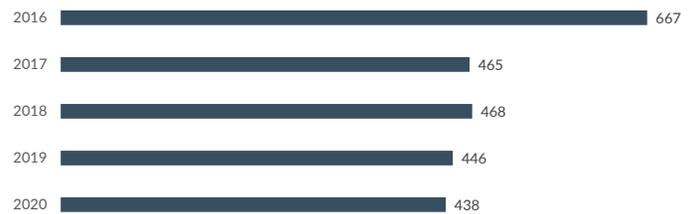
away from work cases, and zero job transfer or restriction cases for both employees and contractors.

- The LaSalle group was also recognized by the National Safety Council for their Perfect Safety Record (2020). In addition, they earned the National Safety Council Occupational Excellence Achievement (2020) and the National Safety Council Significant Improvement Award (2020).
- Carus LLC was also given an Outstanding COVID-19 Response Award based on our site response and community response to handling COVID-19 at our facilities.

Water

Water stewardship is a crucial element of sustainability. Water resources must be carefully managed today so that future generations have the water they need to thrive. Carus has acted on its commitment to water stewardship by reducing and reusing water wherever possible. The American Chemistry Council honored the Carus-LLC LaSalle facility for reducing water consumption by 30% (2018). The Belmont facility recycles 60 million gallons of water in our cooling water process.

Annual Water Consumption, Million Gallons



In 2021, Carus furthered its water stewardship goals by participating in a Water Risk Assessment Pilot Program through the American Chemistry Council. This included oversight by a third-party expert from The Water Council to review our LaSalle water stewardship plan and expand our view of water conservation and management. In LaSalle, we are in a low to medium water risk area and we have minimal impact on the watershed.

The Water Risk Assessment helps to challenge companies to understand their total impact on source water, watersheds, the community, and associated operational risks. Participating in the pilot program allowed Carus to work more closely with our community utilities to clarify water sustainability goals. This was important because sustainability requires partnering with others to effectively achieve near and long-term goals.

Recycling

Recycling is an important means of ensuring ecological sustainability; it impacts water resources, landfill management, and greenhouse emissions. For this reason, Carus recycles cardboard and paper-based products at all our facilities. In 2020, Carus recycled 29,900 lbs. (13.6 metric ton) of cardboard and paper products. Recycling 13.6 ton of paper reduced greenhouse gas emissions by 13.6 metric ton of carbon equivalent (MTCE). In addition, Carus recycles batteries, steel, aluminum, and nickel.

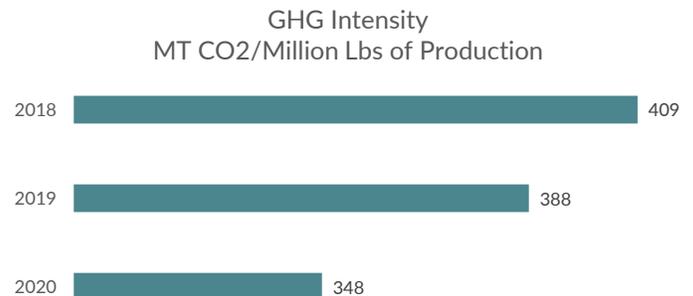
In addition to our recycling efforts, we also reuse wherever possible. This includes, pallets, packaging, process streams and by-products, off spec materials, and wastewater streams that are used as a raw material for a finished product.

Energy & Emissions

Energy sustainability can be achieved through a variety of methods and Carus is focused on reducing the energy required to manufacture our products. With this sustainability goal in mind, our Belmont facility has reduced its energy usage 13% over the last three years. This has been accomplished with LED lighting upgrades, motion sensor lighting, light sensors, and night light only for overnight when operations are not being conducted.

The LaSalle facility has also celebrated successes in moving toward its energy sustainability goals. It has reduced its energy usage 37% since 2010. Aggregate greenhouse gas emissions from natural gas and electricity usage in 2020 was 37,867

short tons CO₂e* per year. Greenhouse gas intensity based on the short tons of CO₂e/million lbs. of production has been reduced by 15% over the last three years.



Hazardous Waste

To achieve near and long-term sustainability goals, companies must manage the generation of hazardous waste. For this reason, Carus takes steps to minimize, reuse, and recycle to avoid generating hazardous waste. When hazardous waste disposal is necessary, we utilize licensed hazardous waste contractors. Our hazardous waste intensity is 53.88 lbs. per million lbs. of production. We are continually exploring alternate outlets for hazardous waste disposal.

*CO₂e is defined as Carbon Dioxide equivalent

Carus & Community

Sustainability goals are all about people and communities. We must always remember that the primary goal of sustainability is to create a balance between the economy and environment, to meet present needs while also preserving the ability of future generations to meet their needs. Carus is a key employer in rural American towns, and we fully understand our responsibility to be a good role-model and leader of sustainability. Throughout our 100+ year history, we have maintained strong ties to the community. Our employees actively participate in our communities and contribute both time and talent to make a positive impact.

Carus supports STEM education in many ways. We sponsor the Carus Summer Science Camp for 6th grade children with the hope of inspiring them to choose careers in science, so they can be the next generation of sustainability leaders. In addition to the Summer Science Camp, Carus provides scholarships, chemistry demonstrations, plant tours, career fairs, internships, and other programs to inspire young people. Through our college Tuition Assistance Program (TAP), Carus has provided over \$5 million in tuition reimbursement to help college-bound students whose parents work for Carus.

We also support a strong internship program each year. In 2021, we sponsored seven students in the following departments: Environment, Health, Safety and Security (EHSS); Engineering, Process Development, and Finance. Carus also sponsors a Scientific Work Experience Program for Teachers (SWEPT) which supports career development and workplace experience for teachers in elementary and secondary education.

In addition, Carus supports an Industrial Maintenance Mechanics apprenticeship program. In 2020, we awarded our first completion certificate from the U.S. Department of Labor to a Carus employee. Carus supports additional career development through professional training opportunities, job training, career development, and much more.

Our workforce is made up of a diverse mix of individuals with a great deal of talent. From 2019 to 2022, Carus reported a 5% increase in women in leadership and management, and a 3% growth in the minority workforce. With strong leadership from our Chairman of the Board, we strive to be inclusive while promoting candidates from within the company into leadership positions.

Planning for the Future

Carus is focused on improving the impact of our sustainability initiatives. Our strategy focuses on five key themes which are built on standard sustainability metrics. We have identified the following short-term goals for 2022 that align with each of our key themes.

Theme	Goal	Status
Sustainability	Complete first sustainability report	Complete
Community Engagement	Reinvigorate employee volunteer program	Complete, ongoing
Water Management	Conduct a Water Risk Assessment	Complete
Environmental, Health & Safety	Determine hazardous waste intensity	Complete
Sustainable Solutions	Enhance toller/supplier toll to include sustainability-based questions	Complete