Chem Trend

2021
SUSTAINABILITY
REPORT

Acting today for a sustainable future.

Focused on sustainable, innovative solutions for critical manufacturing challenges.

a brand of FREUDENBERG

"Sustainability is a long-term commitment that requires consistent, daily action. From our manufacturing facilities to our customers' processes, we work diligently to reduce our impact on the environment. Our products can enable our customers to reduce waste and energy."

JUSTINE FRANCHINA
Executive Vice President & Chief Operating Officer

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CHEM-TREND SUSTAINABILITY GOAL HIGHLIGHTS

REDUCE
greenhouse gas emissions
25%
BY 2025

Read more →

ENERGY

EMISSIONS

WATER

CONSERVE
water consumption
90%
OR LESS ANNUALLY

Read more →

REDUCE
waste generation to
4%
BY 2025

Read more →

WASTE

MATERIALS

MAINTAIN A HIGH AMOUNT OF
recycled material by weight to
14kgs
OR GREATER ANNUALLY

Read more →

CREATING CHANGE: OUR PROGRESS

ENERGY

EMISSIONS

Emissions reduced by

6%

FROM 2019–2021

Read more →

Annual water usage goals

achieved

IN 2019–2021

Read more →

WATER

WASTE

Waste generation remained

flat

FROM 2019–2021

Read more →

Recycled materials increased by

22%

FROM 2019–2021

Read more →

MATERIALS

Always steps ahead.

Want to learn more about Chem-Trend's Global Sustainability Advisory Team (GSAT)?

MEET THE GSAT →

"Sustainability isn't a new objective for Chem-Trend.

It's been integral to our story and our purpose from the very beginning. Since our founding over 50 years ago, we've focused our mission on thinking beyond the conventional to develop revolutionary solutions that add value by improving efficiency, minimizing waste, and facilitating higher-quality end products.

Today we are more focused than ever on equipping our customers — and our own organization — to continuously evolve operations to meet large-scale sustainability targets within multiple areas.

In line with our parent company Freudenberg's intention to be a carbon neutral company by 2045, energy and emissions are a key focus for our Global Sustainability Advisory Team (GSAT) and our global workforce as a whole.

From 2019 to 2021, we've achieved a 6% reduction in emissions with a goal of 25% by 2025. We aim to meet these benchmarks through innovations big and small, from implementing energy assessments for boilers, steam traps, processing equipment, and lab hoods to upgrading our heating and cooling systems. Additionally, we are expanding our commitment to alternative energy sources, especially our solar footprint across our worldwide sites.

We continue to plan for enhanced levels of investment that will allow us to set even stronger goals for ourselves in the near future."

MIKE WARD
Global Sustainability Officer
Operations Director, North America

CLIMATE CHANGE:

Emissions & Energy

Energy efficiency and CO_2 emissions are two major areas of focus for improving Chem-Trend's footprint and handprint. As we focus on our own use of oil, gas, and electricity, we are continuously working to help our customers do the same.

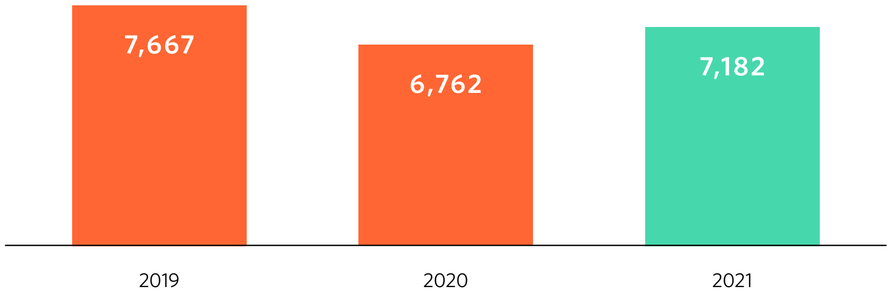
Expanding the water-based formulas in our portfolio has been an ongoing priority, along with introducing technologies like SprayIQ™ and DilutionIQ™, to give operators accurate data about their energy and resource consumption.

Internally, our global team is committed to reducing our own greenhouse gas emissions 25% by 2025 with the ultimate aim of reaching CO_2 neutrality by 2045. Meeting these goals takes organization-wide participation at every level and at every Chem-Trend facility.

The major contributor to reported lower emissions for 2020 directly corresponds to the widespread effects of the global pandemic, which drove an uptick in remote work and a decrease in overall production volume for the year. Global initiatives such as energy assessments and solar power installations contributed to our steady progress in reducing emissions. Greater levels of investment in renewable energy are targeted for the near future.

CO_2 Emissions in Tons

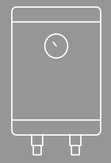
OUR PROGRESS: EMISSIONS DECREASED BY 6% FROM 2019-2021



See our calculations on page 16.

STEPS TAKEN IN CHEM-TREND FACILITIES

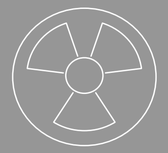
EMISSIONS & ENERGY



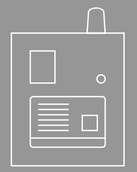
Boiler and steam trap energy assessments

Air compressor leakage assessments

Processing equipment and air handling unit energy assessments

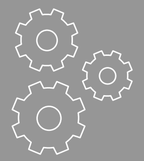


Lab hood energy loss assessments

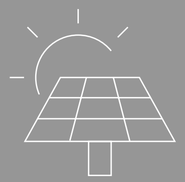


Energy management systems

LED lighting



Less energy intensive manufacturing equipment



Increased investment in on-site power, such as solar energy

Heating and cooling systems upgrade

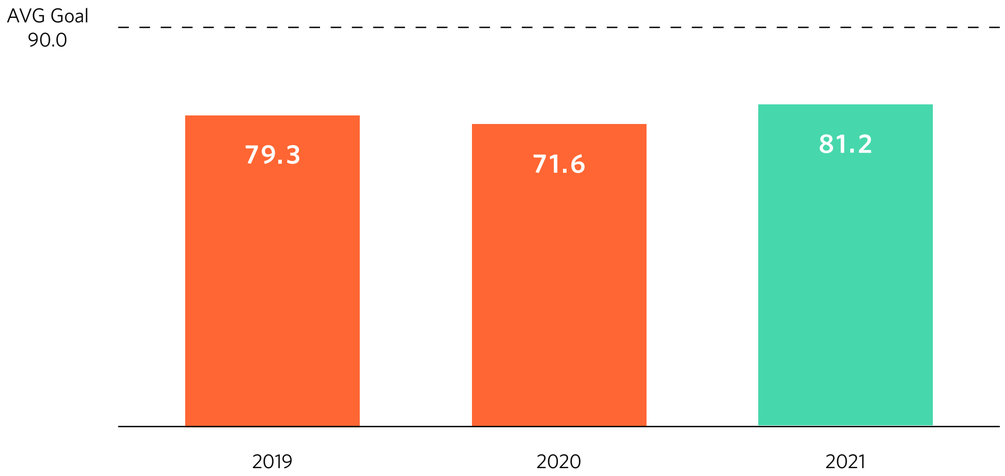
NATURAL RESOURCES:

Water

Controlling our water consumption so that it is 90% or less water volume as a percentage of total production volume is a threshold we've met the last three years, down from 103.3% in 2018. We continue to utilize innovative practices that enable us to manufacture higher volumes while conserving water.

Global Water Usage

OUR PROGRESS: ACHIEVED ANNUAL WATER USAGE THRESHOLD GOALS FROM 2019-2021



Water usage volume as a % of total production volume

See our calculations on page 16.

NATURAL RESOURCES:

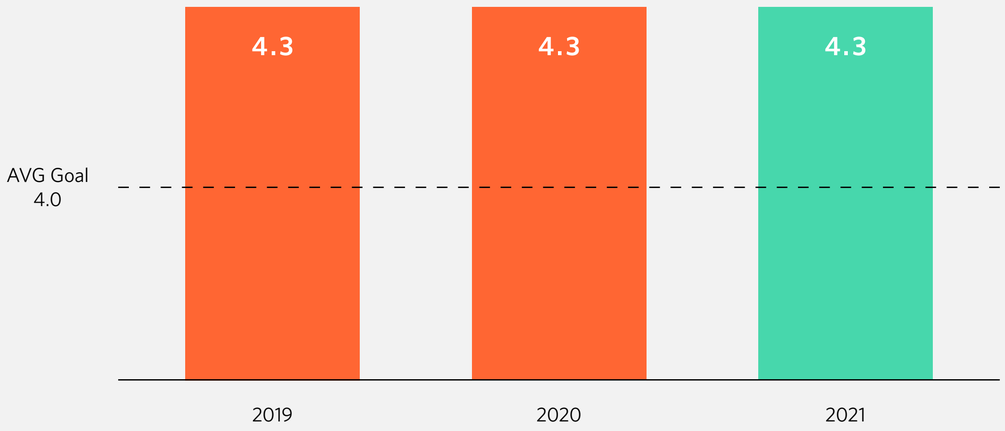
Materials & Waste

Minimizing scrap rate and product usage requirements for our customers is a central advantage of our product solutions. In addition to our SprayIQ™ and DilutionIQ™ monitoring technologies, our High Efficiency Release Agent (HERA™) also empowers the teams we partner with to use controlled micro-doses of products to achieve superior results.

Reducing waste generation to 4% by 2025 while continuing to utilize a high level of recycled materials of >14 kilograms annually are two of our goals in this area.

Global Waste Generation

OUR PROGRESS: WASTE GENERATION REMAINED FLAT FROM 2019–2021

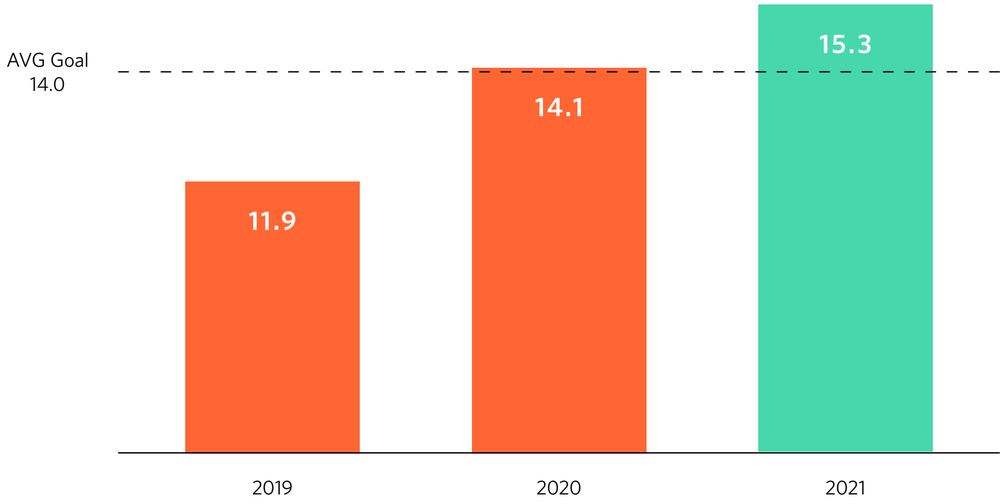


Waste as a % of total production volume

See our calculations on page 16.

Global Recycling

OUR PROGRESS: MATERIALS RECYCLED INCREASED BY 22% FROM 2019–2021



Recycled material kilograms per 1000 kgs of production volume

See our calculations on page 16.

A global approach to universal change.

Moving towards greater sustainability demands a global approach. At Chem-Trend, we empower our worldwide team to innovate solutions that can positively transform the way our customers, our organization, and our industry operate.

Helping customers to achieve greater efficiencies, produce less waste, and prioritize the health of workers is integral to the service we offer. We provide solutions that address immediate challenges while anticipating changes to create long-term success.

We're looking to the future. We're acting today.

Want to dive deeper into our sustainability goals?

SEE OUR 2020 REPORT →

Appendix

OUR CALCULATIONS

Emissions & Energy

$$\frac{\text{Scope 1 energy - direct (e.g. oil, gas)}}{\text{Scope 2 energy - indirect (e.g. electricity)}} = \text{CO}_2 \text{ emissions (tons)}$$

GHG emissions for Chem-Trend LP manufacturing sites are calculated from the electricity and natural gas usage at production sites. For these sites, the electricity and gas usage is for the entire site including production, lab, warehouse, office buildings, exterior lighting, etc.

Waste

$$\frac{\text{MAT volume (liters) of waste} \times 100}{\text{production volume (liters) MAT for the same period}} = \text{waste as a \% of production volume (liters)}$$

Waste includes only solvent or water that comes from cleaning, rinsing, washing down of vats, etc. of equipment and containers, and is then scrapped. Calculate waste as a percent of total production volume.

Water

$$\frac{\text{Water usage excluding water used as a raw material in products (liters) MAT}}{\text{Production volume (liters) MAT} \times 100}$$

Water for this metric includes all water (sanitary, drinking, cleaning, rinsing, cooking, cooling water, steam, water for gardens/lawns, etc.) used at the site except for water that is used as a raw material in a product. The amount of water used is measured in liters.

Materials

$$\frac{\text{Recycled material (kg) MAT}}{\text{production volume kgs (MAT)} \times 1000}$$

Material recycled = steel, plastic, or fiber containers, cardboard, paper, plastic wrap, wood pallets, glass, solvents, water, e-waste, and batteries.

Chem Trend

Release Innovation™

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