

M MAROON GROUP

Creating Customer Success®

Sustainability Report 2020

Maroon Group is a leading distributor of specialty chemicals and ingredients across North America. Based in Avon, Ohio, Maroon Group has thrived on creating success for customers by forming partnerships with leading manufacturers and supplying consistent products on time. Customers in the **CARE, CASE, HI&I, Plastics, Specialty Intermediates, Oil & Gas, Paper, Organics & Naturals, and Food** markets have come to rely on Maroon Group's technical sales team, exceptional customer service, and global sourcing capabilities.



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Opening Remarks

Dear Reader,

As a market leader in the specialty chemical and ingredients distribution industry, Sustainability and Corporate Social Responsibility are extremely important topics for Maroon Group.

We are excited to invite you on our journey and highlight where we've been, what we've accomplished, and how we plan to continually improve in terms of Corporate Social Responsibility. This document endeavors to highlight Maroon Group's commitment to Corporate Social Responsibility. We will provide a high-level overview of the programs we employ to ensure Corporate Social Responsibility remains at the forefront of our operations. The Corporate Social Responsibility journey never ends. In addition to discussing our existing programs, we will highlight our areas of focus for the coming years. We are striving to leverage our technical expertise and broad product portfolio to increase quality and length of life. We are continually working to identify highly innovative products to offer to our customers.

2019 was a transformative year for Maroon Group as we expanded our geographic reach across North America and further diversified our business into adjacent markets. Maroon Group opened a sales office and added additional resources on the West Coast strengthening our footprint across all our markets. We increased our technical and formulary capabilities via expansion of our laboratories in Providence, Rhode Island, and Boca Raton, Florida.

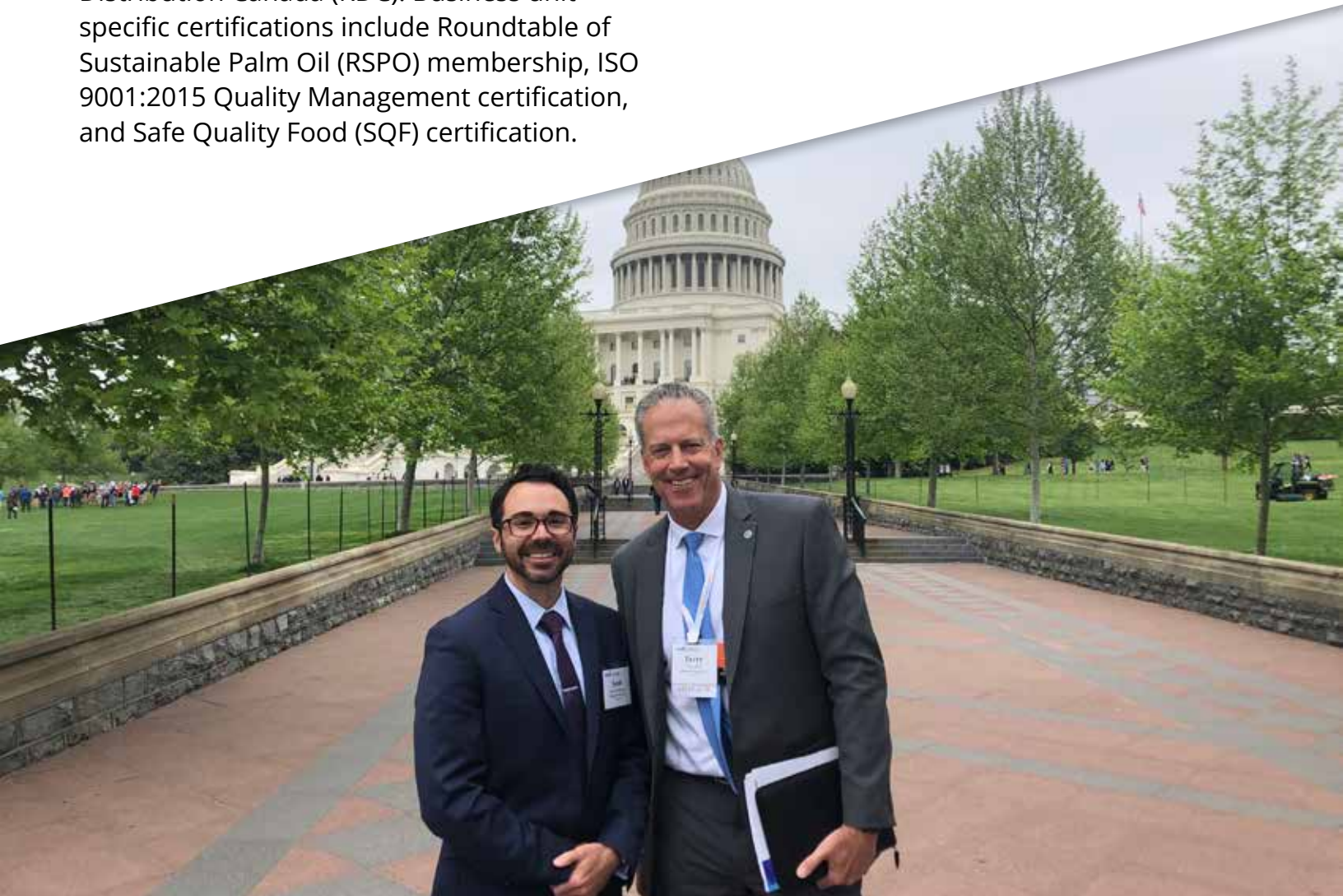
We grew in the specialty chemicals and food market via the acquisition of Amsyn and Cambrian Solutions. Amsyn's wide range of technical capabilities, custom synthesis, and global supplier relationships will be additive to Maroon Group's existing capabilities. The acquisition of Cambrian Solutions in Oakville, Ontario, Canada, significantly extended Maroon Group's North American footprint, providing the company market-leading distribution capabilities across key end markets in Canada.



The acquisition of Cambrian Solutions reinforced Maroon Group's commitment to providing differentiated and innovative capabilities to customers, with technical laboratories in place for food and industrial markets.

Throughout 2019, Maroon Group has sustained membership and certification with various external organizations that highlight our commitment to integrity, quality, and sustainability. Across all business verticals, we are certified as a Responsible Distributor through the National Association of Chemical Distribution (NACD) and Responsible Distribution Canada (RDC). Business unit specific certifications include Roundtable of Sustainable Palm Oil (RSPO) membership, ISO 9001:2015 Quality Management certification, and Safe Quality Food (SQF) certification.

The year also saw significant investment in our Corporate Social Responsibility program. We again were a lead sponsor of the ICIS Innovation Awards for Sustainability, maintained our position as an EcoVadis certified company, obtained RSPO certification for our CARE vertical, and received recognition from the Narragansett Bay commission for our excellent environmental performance. Through our technical expertise, thirst for new and innovative products, and commitment to Corporate Social Responsibility and industry-leading service, we will remain focused on creating customer success as well as growing value for our communities, employees, customers, and suppliers well into the future.





Approach to Sustainability

There are two types of firms when it comes to sustainability—firms that use sustainability primarily for marketing purposes and firms that have sustainability at the core of their purpose and mission. Having been committed to Corporate Social Responsibility for years, in 2019 Maroon Group began an exercise of putting Corporate Social Responsibility ever-closer to the core of our mission. A Corporate Social Responsibility Governance Council was established to set the strategic objectives and purpose of our Corporate Social Responsibility program. The strategic objectives are then executed by the Director of Safety, Compliance and Sustainability. This expanded role provides a single point of contact and accountability for our Corporate Social Responsibility objectives. The Director of Safety, Compliance and Sustainability in turn works collaboratively with key stakeholders throughout the organization (Purchasing, Operations, Human Resources, Safety) to execute our key objectives. This collaborative process fosters engagement throughout the organization. A key focus of our program is its broad base and decentralized ownership. To capture the essence of this approach, this report was developed by a number of individuals across our company from each of our verticals.



Occupational Health & Safety

Safety is of paramount importance to Maroon Group. It is our goal to have zero accidents or incidents each year. Our accidents and incidents are tracked and reported to our executive leadership team each month. To foster a culture of safety, Safety Committees were established at each location. The committees work both inward and outward with the community addressing public and employee safety topics. The committees provide safety training, but most importantly offer a forum to discuss safety-related topics and ensure safety stays at the forefront of each employee's mind. These committees remain at the leading edge of industry best practices, via our active participation in NACD and RDC regulatory and safety committees. We distribute a monthly "Road to Zero Think Safety" publication, which has covered topics such as Fall Prevention, Cold and Flu, and Fire Safety; installed cameras in our fleet of vehicles to improve driver safety; and only partner with carriers who meet our stringent safety, security and compliance standards. Beyond safety at our facilities, we also work to actively safeguard our employees who work remotely. Our sales team regularly receives defensive and safe driving training to ensure they are working as safely as possible while they are on the road.

Business Integrity

Integrity and ethics are ingrained throughout the 24 Fundamentals that are the foundation of our culture and business practices. These fundamentals ensure we, as a company, maintain a culture that emphasizes and promotes honesty, trust, and respect. In order to uphold this internally, we have an established Code of Conduct and Anti-Bribery and Anti-Corruption policies, which ensure every employee throughout Maroon Group is aware of and committed to acting in accordance with our internal values and principles. Externally, we have a robust evaluation process in place for potential principal suppliers as well as recurring evaluation procedures for existing suppliers in order to ensure we are maintaining partnerships with companies who uphold the same level of integrity and trust we represent.

The message our Code of Conduct and Anti-Bribery policies emphasizes above all else, is be ethical. We place the utmost value on integrity throughout our sales and marketing practices: Bribes, kickbacks, favors, improper incentives, etc. are strictly prohibited in detail throughout our Code of Conduct in respect to customers, suppliers, and public officials. These policies provide guidance for all employees for ethical decision making when representing Maroon Group. Additionally, we have established a dedicated Regulatory team in order to ensure we are in compliance with the laws and regulations that apply to our business activity.

Employees are encouraged to ask questions and report any behavior that violates Maroon Group's Code of Conduct or that they deem to be unethical in any way. We have a strict Anti-Retaliation Policy that protects employees who come forward with any concerns. These policies, as well as our Code of Conduct and reporting procedures, are readily available to all employees via our Employee Handbook and on our company Intranet.

Labor practices

We engage only in ethical business practices. Our Code of Conduct emphasizes a central theme that is also key to our Anti-Bribery policy: Be ethical in all business dealings. We are committed to acting in line with our internal values and principles. We sell our products and services on the basis of price, quality, and service. We believe we deliver superior price, quality, and service. Our policy matches our belief.

Involuntary, bonded, forced, or child labor by any supplier from any country is viewed as a violation of the International Labor Organization. Maroon Group will not purchase any products in which such practices are employed.



People & Diversity

Maroon Group is a diverse group of professionals located worldwide who are dedicated to providing quality service and value to our customers, principals, and each other. We obtain success by drawing on our company core values:

- We are ethical in all activities.
- We support one another with candor, trust, and respect.
- We are passionate, positive, proactive and detailed in our work.
- We are credible in making and accountable in fulfilling our commitments.
- We work synergistically as a team to achieve our common goals.
- We apply persistent dedication to obtain consistent quality and continuous improvement.

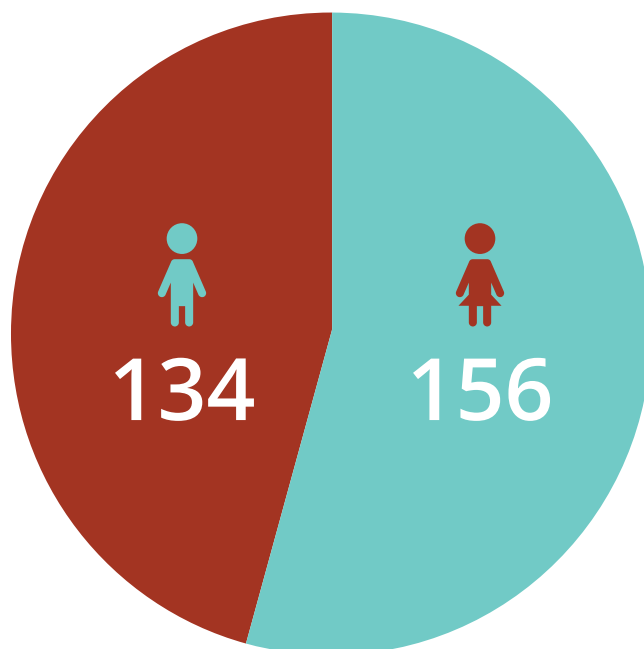
Maroon Group has developed a reputation as an ethical, honest company, and our customers respect our employees for the professional manner in which they conduct themselves. Each employee of our company has a duty to our customers to offer the highest level of service possible. Within the organization, we share a commitment to *"Creating Customer Success®."* Maroon Group strives to be the most customer-centric company in the specialty chemicals and ingredients industry.



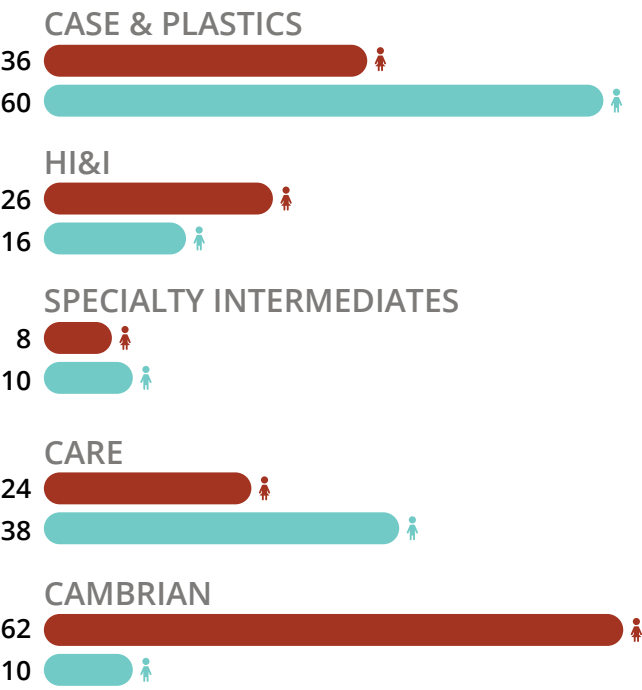
Diversity

Maroon Group employs a total of 290 people over 10 locations worldwide. There is almost an even split with women outnumbering men slightly at 156 to 134. We openly promote our values internally and externally. We maintain our high moral standards with regard to discrimination and promote equal opportunities for all of our employees.

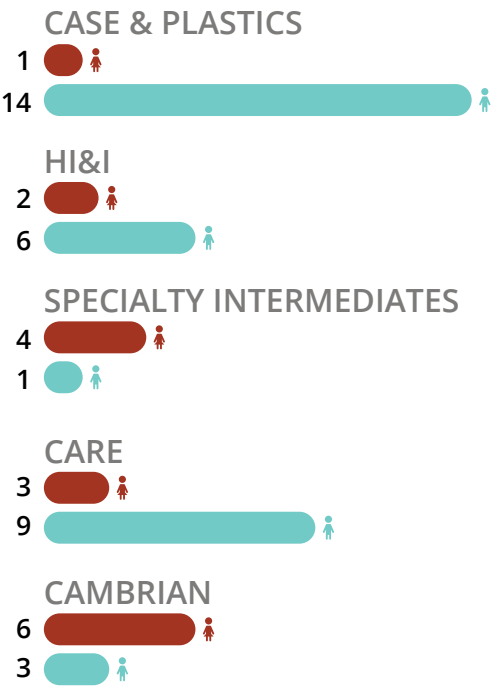
Global Maroon Group Total 290 Employees



Gender - All Verticals



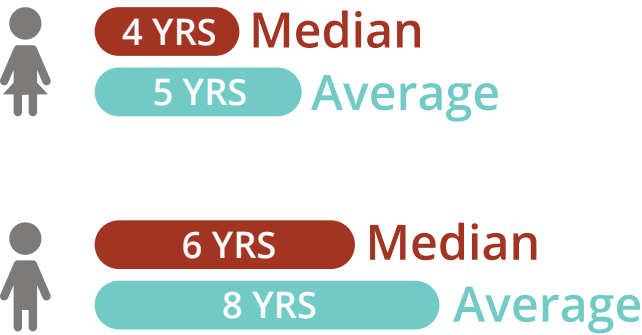
Leadership Team



Talent attraction, development, and retention

As a company, we recognize our employees are the cornerstone of our business. We have developed a stringent talent acquisition strategy and have found that having a well-organized process; clearly defined roles, responsibilities, and expectations; a multi-step interview process; and a structured onboarding process have paid great dividends. Many of our employees joined with extensive knowledge and experience in specialty chemicals or food ingredients, while some worked in sales, product management, and in technical development/application. With this foundational knowledge, we provide supplemental training for all employees via a structured onboarding. The onboarding includes training to ensure all employees are familiar with our various policies and safety procedures. Some items included in the training are related to sexual harassment, workplace violence, I.T security, and facility safety protocols.

Average Tenure





Community Service and Wellness Committee

Maroon Group supports our responsibility to our communities by compensating eligible employees for eight hours of community service per calendar year. This could include company or non-company sponsored volunteering. This may include, but is not limited to schools, nursing homes, boy scout/girl scout activities, parks, healthcare, arts, food pantries, etc.

Our Wellness Committee is dedicated to our employees' health. We have completed an initiative to provide standing desks to employees and we publish a monthly newsletter providing information on various health topics. In addition, we hold wellness events like a "Stress Less Challenge," "Clean Plate Contest," "Weight Loss Challenges," and "Zombie Step Challenge."

Our employees wear their hearts on their sleeves when it comes to compassion. Community involvement & charitable giving in 2019 included Hurricane Dorian Relief, Head For the Cure, 5K for Breast Cancer, and holiday giving boxes. Maroon Group is also a primary sponsor of the Chemical Education Foundation, which provides programs for hands on STEM learning to students and annually sponsors the ICIS Innovation Awards for Sustainability.



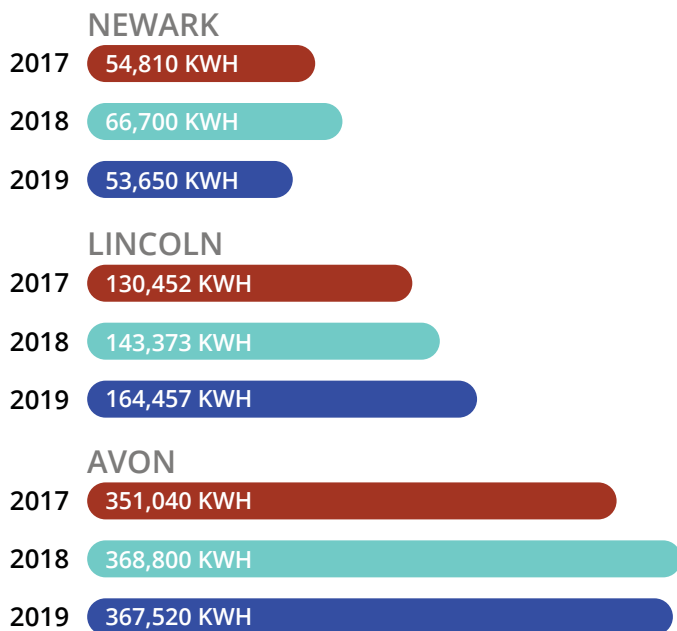
Operations

Maroon Group is green. We operate several distribution facilities throughout North America and are continually working to improve our impact on the environment. We implemented programs to monitor our energy consumption, as illustrated via the data below and optimize vehicle routes to minimize run time and maximize fuel efficiency. At our facilities, we have implemented several measures to minimize energy consumption, including:

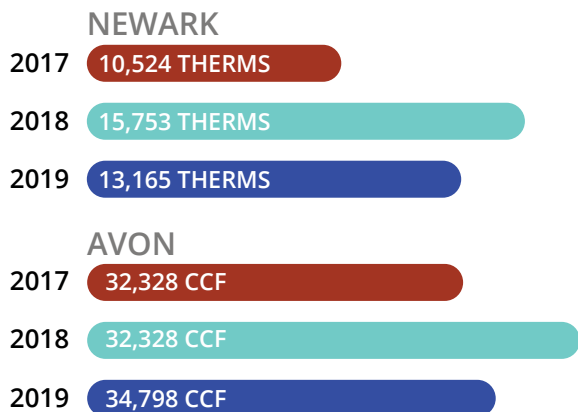
- Energy, efficient lighting, LED lighting
- Warehouse and office motion sensor lighting
- Timer controls on warehouse thermostats
- Lower thermostat temperatures
- Regular preventative maintenance on all equipment

As a chemical distributor, we are sending numerous shipments of products each day. To minimize the environmental impact of these shipments, we have partnered with 3PL to maximize the efficiency of our trucking routes. We have also implemented policies to minimize the run time of our vehicles, such as loading in order of delivery to optimize run time and fuel efficiency and to shut down vehicles when waiting to load or unload.

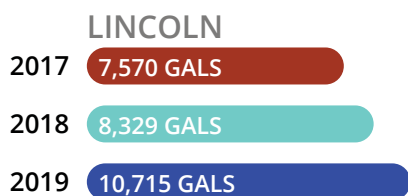
Electricity Consumption



Natural Gas Consumption



Fuel Oil Consumption



Handling of chemicals

We emphasize the proper handling and storage of our products with our third-party providers and our employees. We review and audit all third-party warehousing partners to ensure they are sustaining the high standards we require and properly train our employees on safe handling, storage, and transportation procedures. Our employees are trained in accordance with all local, state, and federal guidelines. Through our “speak up and speak straight” culture fundamental, all employees are encouraged to suggest new and better ways to improve our procedures.

We are committed to helping our customers downstream in the safe handling of chemicals by providing Safety Data Sheets and technical data information. We have technical experts on staff available to answer customer questions and concerns.

Diesel Consumption



Operational waste management and recycling

Offices and warehouses are the main source of the waste we generate. As a distributor, our waste primarily consists of paper, cardboard, and other office products. All waste is disposed of or recycled by accredited disposal companies. We continue to identify new ways to reduce, reuse, or recycle our waste. Recycling efforts include the re-use of cardboard or dunnage, recycling bins for office paper, cardboard recycling, aluminum can recycling, printer cartridge recycling, and the proper disposal of batteries and light bulbs. In addition to the responsible disposal of waste, incidental releases are also an area of focus. To ensure the environment is not impacted by our operations, we have robust protections in place to prevent any spill from impacting the environment adjacent to our facilities.

Pollution prevention measures we utilize include:

- Hazardous spill containment procedures
- Emergency response procedures
- Spill Kits
- Building design for spill prevention and pollution
- Hazardous material containment rooms
- 3rd party cleanup and disposal

Sustainable raw materials

Maroon Group is primarily a distributor of specialty chemicals and ingredients. In many ways, our Corporate Social Responsibility is intimately linked to that of the suppliers we choose to partner with. When evaluating a potential new supplier, we have documented procedures to evaluate their Environmental, Labor, and Human Rights and Ethical practices. Suppliers with commitments to sustainability and social responsibility receive preferential treatment during our evaluations. We assess our suppliers' sustainability in a number of ways including:

- Performing on-site principal evaluations
- Principal audits and regular reviews
- Corrective and preventative actions
- Continuous improvement

Continuous Improvement is a core pillar of our Operations. We improve our commitment to supplier sustainability in the Future by:

- Continuously seeking improvements to the best practices for vetting new suppliers
- Continuously improving our efforts to monitor existing suppliers
- Seeking new technologies that will assist us with our suppliers
- Keeping up to date on the ever-changing regulations regarding chemical distribution, hazardous materials, logistics, and the environment



Product Stewardship

Each day, Maroon Group delivers hundreds of thousands of pounds of products to its customer base worldwide. Because so many can be impacted throughout a product's and life cycle, Maroon Group takes product stewardship seriously.

Senior Management is committed to continuous improvement in every aspect of day to day operations. Maroon Group ensures our principal partners are compliant in all regulations pertaining to environmental compliance and health and human safety. Continuous improvement is one of the core guiding principles under which the company operates.

How Maroon Group Approaches Product Stewardship:

- Technical teams create formulations that can increase customers sustainability.
- Maroon Group works diligently to qualify customers and assure that product stewardship is a priority when making a sale.
- Maroon Group works to communicate with customers on the safe use, secure handling and proper disposal of products we sell.
- Maroon Group's own waste management practices institute resource conservation by eliminating waste at the source, recycling and reusing whenever possible, and making sure waste is properly treated for disposal according to existing regulations.
- Senior Management is committed to continuous improvement with improvements logged and monitored.
- Responsible Distribution certification is maintained through NACD and RDC.
- Policies and Procedures are regularly audited via both internal and external examiners.



Maroon Group maintains internal policies, standards, and procedures specific to product stewardship. These policies are overseen and monitored via our Responsible Distribution certification. Through Responsible Distribution, Maroon Group maintains a process to qualify customers. Our process helps ensure that customers have proper EHS&S policies and procedures in place to handle our products safely. One of the most important responsibilities we have is to communicate the risks and hazards associated with our products. Maroon Group does this by making sure our customers have readily available information such as Safety Data Sheets (SDS) and Technical Data Sheets (TDS) for our products. In the event of an emergency, we partner with ChemTrec and CANUTEC to quickly respond to any incidents involving our products and ensure safety information related to our products is available to first responders via the internet.

NACD and RDC are two of the many industry trade associations Maroon Group works with to ensure the environmental and health impact of our product line is minimized at every turn.

Product design and development provides Maroon Group another positive approach to product stewardship. Reducing impact begins with formulations developed in our laboratory designed to increase sustainability. In this way, responsibility lies within Maroon for getting low-impact products into the marketplace. If we develop sustainable formulations initially, the product stewardship task becomes smoother throughout the rest of the product lifecycle. Sustainable formulations require sustainable raw materials. Maroon Group is committed to providing raw materials with as minimal environmental footprints as possible. This product stewardship process adds value to our products and services by minimizing risk to employees, customers, and the environment. This makes Maroon Group a market leader by developing, supplying, and formulating for future generations.

Minimizing adverse health and environmental effects through science-based risk assessment will continue to ensure that we comply with all statutory and regulatory requirements in an exhaustive and comprehensive manner. Measures will be put in place to prevent any violation with respect to Maroon Group's manufacturing and shipping activities. The Operations Manager of each business division undertakes chemical safety management for the entire business for which they are responsible.



Taking Pride in Sustainability

We strive to be great corporate citizens that value social responsibility and sustainability. We continue to safely distribute and be good stewards of our principals' products. As evident with the programs and accreditations in place, we take our position as a market leader seriously.

Maroon Group is committed to taking every practical precaution toward ensuring that products and services do not present an unacceptable level of risk to its employees, customers, the public, or the environment.

Every Maroon Group employee is responsible for supporting our product stewardship. We provide employees with training programs to acquire knowledge to comply with the law and handle products correctly, as well as spread the knowledge across the supply chain in order to establish a corporate culture that protects human health and the environment.



Value Statement

Through our continuous improvement process and company-wide dedication to *Creating Customer Success*[®], **Maroon Group** strives to be the most customer-centric company in the specialty chemicals and ingredients distribution business.

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Continuous Improvement Market Leadership Targeted Aggressive Growth

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www.maroongroupllc.com    

1390 Jaycox Road, Avon, OH 44011 • 440.937.1000 • 877.MAROON1

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