



SUSTAINABILITY REPORT 2022

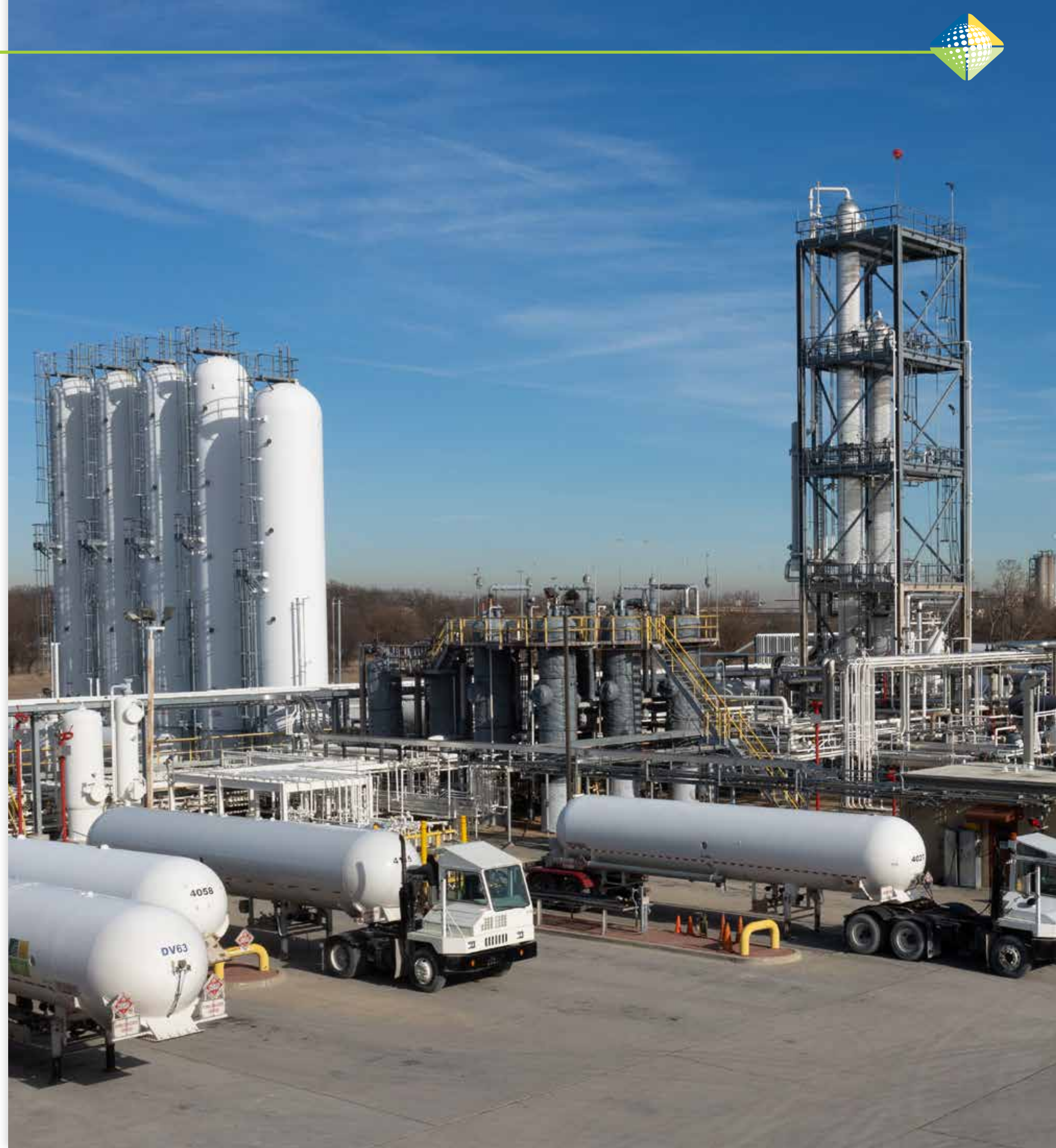


DiversifiedCPC
INTERNATIONAL

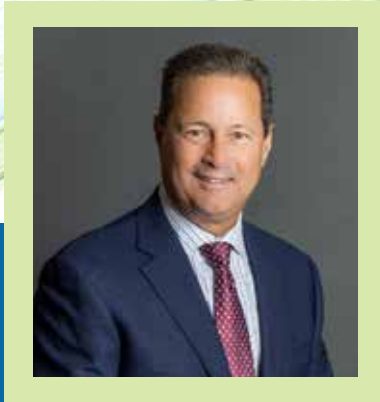


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**FROM OUR CEO
BILL AURIEMMA**



We are proud to share this inaugural edition of Diversified CPC International's Sustainability Report. This publication is a first for our company, but pursuing sustainability-related endeavors is not new to us. I've often said that Diversified CPC focused on sustainability long before the term became part of today's corporate vernacular. We've been doing this since our inception as a small chemical distribution business in 1964.

This goes back to the late 1970s. By then, we had established ourselves as a leading supplier of aerosol propellants. Business was good, but change was right around the corner. In 1978, chlorofluorocarbons (CFCs), key ingredients in aerosols, were identified as ozone-depleting substances. Subsequent regulation caused a major shift in the industry; however, regulation often drives innovation.

To meet environmental and consumer needs, Diversified CPC became one of the major producers of hydrocarbon aerosol propellants, which served as the primary replacement for CFCs in the U.S.

Since then, we've seen the evolution of environmental regulations, safety mandates, and business practices. Not only have we kept pace with change, but we have often stayed ahead of it.

In the 1980s we became experts in the safe handling and storage of flammable aerosol propellants. In the 1990s we embraced a new generation of best business practices and in 1997, we received our first certification for ISO 900 – a platform we use to drive continuous improvement. In 1995 we were acquired by Sumitomo Corporation and leveraged their resources to develop and enhance internal controls and processes.

Through our own evolution, we became the leading producer of high-purity gases and discovered these gases could be leveraged in applications beyond aerosols. In 2012, we continued to reinvent our business by entering new markets, including refrigeration and semiconductor manufacturing.

Our success stems from the fundamental aspects of sustainability – we take care of our employees, support our communities, create sustainable and effective products, and produce a healthy return to our shareholders.

I am proud and appreciative of our past and equally excited about what's next.

**FROM OUR PRESIDENT & COO
DAVID BURKS**



As we approach our 60th anniversary, we are excited to share details regarding our commitment to our stakeholders through our first Sustainability Report. I am proud of this report because it illustrates how our team prioritizes sustainability as a Core Value at Diversified CPC.

I am constantly impressed by the passion of our employees and their dedication to provide the highest level of service and quality to our customers while searching for ways to improve the environmental sustainability of our products and our operations.

Sustainability is a key part of our value proposition. With our high-purity solutions, products are more effective, equipment is more efficient, quality expectations are exceeded, and environmental footprints are reduced. We call this The Power of Purity™ and it's why some of the world's best-known companies rely on Diversified CPC to power their applications.

A good example is R-290, which has a developing and expanding market due to its role in helping to reduce global warming. Through our innovation, we've been able to produce the highest purity R-290 for refrigeration applications. Due to its purity, it helps systems run more efficiently, which helps manufacturers achieve favorable energy ratings and reduces consumers' energy consumption.

We are looking forward to additional advancements in the months ahead. We recently enhanced and formalized our 5-Step Innovation Process, which factors in sustainability-related impacts as we explore new product development to meet the needs of our stakeholders.

In the coming year we will continue to work closely with industry partners, trade associations, and regulatory bodies to address evolving challenges. We will also become involved with additional associations that represent the various segments that we serve.

We invite you to learn more about our sustainability journey through this report. It establishes a baseline for our team and is designed to drive improvements that benefit our employees, customers, shareholders, and our communities. What lies ahead is Pure Opportunity.



Leveraging The Power of Purity™





Established in 1964, Diversified CPC International is a global producer and distributor of the world's highest-purity hydrocarbons, specialty gases, and blends.

We offer unrivaled products, services, and expertise that enable industrial and commercial manufacturers to achieve safety, quality, operational efficiency, and sustainability goals. Our services and expertise are leveraged in a variety of applications, including aerosol propellants, refrigerants, biomass extraction, and semiconductor manufacturing.

Diversified CPC fundamentally believes that organizations that intentionally and meaningfully integrate sustainability principles into their business model see an improvement in societal outcomes and achieve their performance goals.

AT A GLANCE

101
employees

8
countries served

7
locations

88%
employee retention

CORE VALUES

01



EMPLOYEES

Our employees are the foundation of our company. Their health, safety, and professional development are top priorities.

02



CUSTOMERS

Our customer-focused approach guides everything we do.

03



INNOVATION

Our dedication to collaborative product development and innovation is our value proposition.

04



SUSTAINABILITY

Our team is committed to sustainability efforts that further our corporate stewardship.

05



SHAREHOLDERS

We remain dedicated to providing consistent top- and bottom-line profitable growth for our shareholders.



OUR STAKEHOLDERS

At Diversified CPC, we think of our stakeholders as a community of organizations and people who are collectively dedicated to meeting the public's need for clean, safe extracted gas products.

- » Employees
- » Customers
- » Suppliers
- » Shareholders
- » Regulatory Agencies
- » Trade Associations
- » Community

PURPOSE VISION MISSION

We have, and always will, pursue our role as an industry leader with a sense of duty to our employees, customers, the public, and the planet through sustainable, innovative products that promote positive societal and environmental outcomes.

To never stop pursuing better outcomes for our employees, customers, the public, and the planet, through innovative and responsible product development and stewardship.

As a corporate citizen, we understand that we have a profound responsibility to integrate sustainability into our business practices to best serve our employees, our customers, and the global community.





Community and global impact are embedded in our mission statement. Our vision has, and will always be, based on the continuous pursuit of innovation and stewardship.

Purity and empowerment are pillars of our connected culture, and sustainability and equitable inclusion have always been inherently ingrained in our values and integrated into our business operations. At Diversified CPC, sustainability is not a trend, it is a business strategy. We continue to expand our reach and investments in these imperatives, and 2022 was a year of meaningful progress for our entire organization.

A YEAR IN REVIEW

Identified material sustainability topics and associated KPIs in alignment with internationally recognized reporting frameworks to better measure and manage our sustainability program.

Implemented Sustainability Principles for External Business Partners to circulate our values and share the importance and potential impact of sustainability support.

Formalized our Diversity, Equity, and Inclusion (DEI) programs and policies.

Continued our collaboration with the EPA, the California Air Resources Board (CARB), and other regulatory agencies through our partnerships with trade associations, including the Household & Commercial Products Association (HCPA). We also became a proud sponsor of the Aerosol Recycling Initiative (ARI). Additionally, we expanded our environmental and OSHA metric tracking to enhance our commitment to being an industry leader in social and environmental stewardship.

Engaged with a global professional services firm to assess our sustainability efforts. This assessment provided a materiality index, industry benchmarking, and a roadmap to accelerate our sustainability maturity.

Issued an updated ESG policy to formalize sustainability management and further promote these values and behaviors company wide and with external business partners.

Launched our inaugural ESG Committee to provide structured ownership over the implementation and monitoring of the sustainability program.

Achieved a milestone with the creation of our inaugural sustainability report.

SUSTAINABILITY POLICY

Diversified CPC will take a step forward in our sustainability management, leveraging our strengths as a global leader in high-purity products to integrate sustainability principles into our business practices and bring value to our employees, our customers, the public, and the planet.



As a responsible global citizen, we identify, measure, and track sustainability-related metrics to help ensure positive environmental and societal outcomes. These metrics shape the way we do business, from our everyday conduct to our short-term and long-term business strategies.

Diversified CPC publishes an annual sustainability report to help ensure policy adherence, continuous improvement, and transparency. Our ESG Executive Team promotes sustainability measures that are implemented company wide. The Corporate ESG Committee acts as an advisory body to the ESG Executive Team and discusses policies, measures, and initiatives. Important initiatives are referred by the committee to the ESG Executive Team and the Board of Directors for further discussion. In the coming years, we plan to develop these metrics further, broadening their scope to encompass more subjects.



ESG PILLARS & METRICS

We are committed to a cycle of continuous measurement, management, and improvement in all aspects of the ESG topics defined below, within our three pillars of environmental stewardship, social responsibility and wellbeing, and fair and transparent governance.

What follows are some of the steps that we take to support our commitment to social responsibility efforts. Please refer to page 12 for the materiality assessment, which outlines the sources from which these topics were selected.

ENVIRONMENTAL QUALITY

Diversified CPC recognizes that environmental sustainability is integral to good business practices and the production of world-class products. We also recognize that climate change is a major environmental, economic, and social challenge globally. We encourage our external business partners to join us in managing innovative solutions that reduce environmental impacts and to monitor progress throughout the business cycle. We strive to have an effective environmental policy and will make every effort to support our policy using the best available technologies; to implement this policy at all levels throughout the company; and to include a commitment to continual improvement in environmental performance. More specifically, we are committed to achieving improved performance in the following material environmental topic areas:

- » Waste & Substance Management
- » Air Quality & Emissions
- » Energy Consumption & Greenhouse Gas Emissions
- » Conservation, Biodiversity & Resource Use

SOCIAL RESPONSIBILITY

Diversified CPC strives to put people first – not only our employees, but people in all areas of the business including customers, suppliers, and our broader communities. We are committed to a cycle of continuous improvement and to achieving improved positive outcomes in the following material social topic areas:

- » Diversity, Equity, & Inclusion
- » Community Involvement & Philanthropy
- » Occupational Health & Safety & Labor Practices
- » Human Rights
- » Employee Training, Development & Engagement

CORPORATE GOVERNANCE

Diversified CPC aspires to the highest standards of ethical and sustainable conduct in business practices and in deploying training and implementation programs to ensure that all employees and stakeholders understand and adhere to these standards. We are committed to strong governance practices in the following material topic areas:

- » Business Ethics
- » Management of Regulatory & Legal Compliance
- » Product Design & Life Cycle Management

SUSTAINABILITY PRINCIPLES

Diversified CPC is committed to ensuring that the practices of its businesses are fair, responsible, and sensitive to the needs of our customers, suppliers, employees, neighbors, and stakeholders. We aim to advance human dignity, reduce waste, improve efficiency, and reduce our carbon footprint.

To promote ethical business practices and social and environmental sustainability throughout our supply chain, we have established sustainability principles to serve as guidelines for our external business partners. We encourage all our new and existing external business partners to aspire to these standards and seek to make continuous improvements. We further challenge our business partners to require their suppliers to acknowledge and implement parallel best practices and standards of conduct.



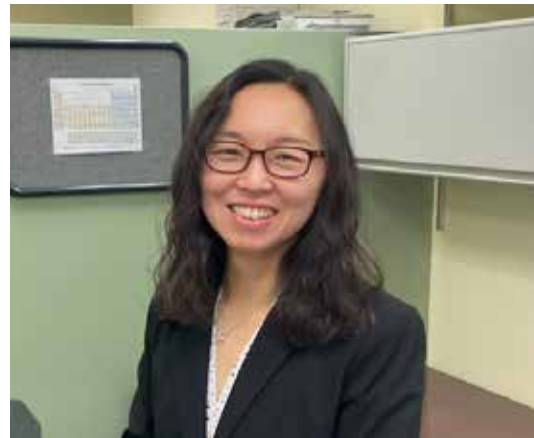
01 ETHICAL BUSINESS PRACTICES

Diversified CPC aspires to the highest standards of ethical conduct, and we expect our external business partners to observe these same standards in their business practices and daily interactions.



02 HUMAN RIGHTS IN THE WORKPLACE

Diversified CPC supports the protection and preservation of human rights around the world and is guided by fundamental principles of human rights. We further this support through our supply chain using external business partners whose corporate values are consistent with ours.



03 HEALTH AND SAFETY

We believe in providing a safe and healthy work environment. As such, our business partners should provide adequate and safe working conditions and comply with all applicable health and safety policies and laws.



04 ENVIRONMENTAL SUSTAINABILITY

Diversified CPC has established a method to track our own greenhouse gas emissions. We encourage our external business partners to join us in similar sustainability efforts.



05 MANAGEMENT SYSTEMS

We encourage our External Business Partners to institute targeted ethical, social, and environmental programs with management systems that utilize the best available techniques and practices to achieve sustainability and corporate social responsibility at all levels.

SUSTAINABILITY REPORTING

Diversified CPC will publicly share our ongoing sustainability efforts, including data inventories, key performance indicators, targets, metrics, commitments, relevant policies, and procedures through an annual sustainability report. These reports will serve as a testament to our commitment to sustainability initiatives, as well as disclose sustainability information and metrics in alignment with relevant standards and frameworks.

MATERIALITY

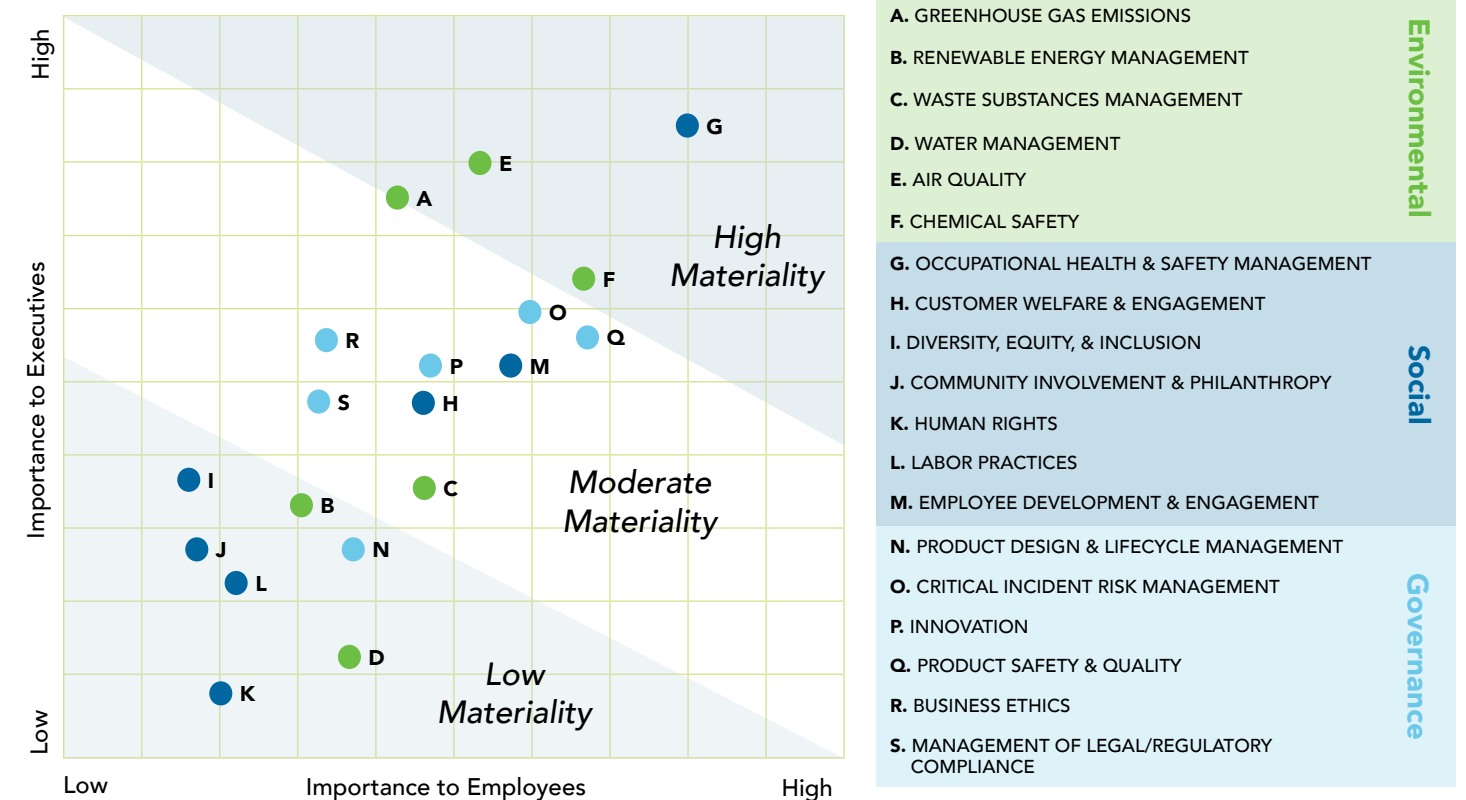
Through internal stakeholder engagement (interviews and surveys with employees and leadership), industry analysis, and the use of recognized standards and frameworks, such as SASB, MSCI, and S&P Global, we aggregated and prioritized material topics based on cross-functional company participation. The resulting materiality matrix provides insights into the importance of these topics to our employees and their potential impact on our business. However, it's important to note that our organization operates within a unique context, and our priorities may differ from those of other companies or industries.

While all topics in the matrix are important to our industry and business, it's necessary to provide additional context regarding their rankings. Human rights, for example, may appear as a lower priority, but this reflects the presence of strong policies and procedures in our organization and the lower risk it poses, given the nature of our business. Conversely, OSHA compliance is ranked as a top priority due to our deeply embedded safety culture, where the wellbeing of our employees is paramount.

It's crucial to recognize that the materiality matrix represents a snapshot in time and is subject to change as our industry evolves, our business adapts, and our sustainability practices mature. Therefore, it should be viewed as a dynamic tool that guides our decision-making process. The matrix communicates a set of opinions on what we should prioritize in the coming year, tailored to our business. However, we will continue to engage with stakeholders, monitor industry developments, and evaluate emerging risks and opportunities to ensure that our focus remains aligned with their evolving expectations and our business needs.

Note that the materiality employed in this report is not synonymous with the definition of materiality applied by the U.S. SEC.

Materiality Matrix





We invite you to explore The Power of Purity™ as we take this opportunity to share our corporate sustainability performance and related stakeholder impact.

At Diversified CPC, we believe that environmental sustainability is integral to good business practices and to the production of world-class products.

We also recognize that climate change is not just an environmental concern but has economic and social implications globally. Our entire business has been built on the premise of being environmentally responsible. As such, every product we make is high in purity, chemically stable, and environmentally conscious.

To achieve our sustainability goals and continuously improve our environmental performance, we leverage the best available technologies and implement relevant policies at all levels of the organization. Further, we encourage our external business partners to join us in embracing innovative solutions that reduce environmental impacts.

MATERIAL TOPICS

- 01 Waste & Substance Management
- 02 Air Quality & Emissions
- 03 Energy Consumption & Greenhouse Gas Emissions
- 04 Conservation, Biodiversity & Resource Use

WASTE & SUBSTANCE MANAGEMENT

At Diversified CPC, we make every effort to reduce or eliminate waste of all types. This includes using resources such as robust engineering practices, maintenance and facility processes, materials substitution, conservation, recycling, and reusing materials.

Our universal waste management program is governed by formal policies to ensure compliance with regulatory mandates for waste materials such as batteries, pesticides, equipment containing mercury, and lamps such as fluorescent bulbs. Waste Management policies include practices to reduce landfill waste, further recycling, conserve energy, and reduce the usage of natural resources.

Effective waste management policies and procedures help us control waste, and we maintain thorough documentation to outline our commitment to legal compliance. Our Waste Disposal policy outlines expectations for appropriate labeling, testing, storage, handling, transportation, and documentation procedures.

When recycling is not an option, solid waste generated from operations and industrial processes must be monitored, controlled, and treated as required prior to disposal in an environmentally responsible manner. During our fiscal year 2022, we have manifested 20.06 tons of spent sieve material as a special waste. We will continue to track this waste stream to determine trends or to find other environmentally responsible disposal methods. Chemicals or other materials posing an environmental risk shall be identified and managed to ensure safe handling, movement, storage, recycling, re-use, or disposal. We have implemented metal, aluminum, oil, and paper waste recycling programs across all facilities and locations must maintain recycling centers for appropriate waste streams.

We encourage utilization of life cycle analysis to minimize the environmental impact of our services and products across the entire life cycle. Innovative developments in products and services that offer environmental and social benefits are

WASTE STREAM RECYCLING GUIDANCE

RECYCLABLE WASTE STREAM	WHERE TO RECYCLE	PRIMARY COLLECTOR
Toner Cartage	Facility Specific	Assigned by Facility
Aluminum Cans	Recycling Container	Assigned by Facility
Copy Paper, Shredded Paper, Newsprint, Telephone Directories	Recycling Container	Vendor
Plastic Bottles	Recycling Container	Assigned by Facility
Used Oil Filters	Facility Specific	Vendor
Lead Acid Batteries	Facility Specific	Vendor
Electronic Equipment	Channahon Facility	IT Manager
Scrap Metal	Recycling Container	Vendor
Used Oil	Recycling Container	Vendor

Additional recyclable waste streams may be added as markets develop.

WASTE REDUCTION EFFORTS



Our Sebring, Florida facility began their cardboard recycling. Bob Scott, Sebring Plant Manager



DIVERSIFIED CPC RECYCLING ACTIVITY BY WASTE STREAM FOR FY 2022

Plant Location	Regen Gas	Equipment Reuse & Rebuild Initiative	Toner Cartridge Recycling	Aluminum Cans	Paper/ Cardboard	Plastic Bottles	Used Oil Filters	Lead Acid Batteries	Electronic Equipment	Metal Recycling	Used Oil	Other
Beaumont		♻️						♻️	♻️	♻️	♻️	
Channahon	♻️	♻️	♻️		♻️			♻️	♻️	♻️	♻️	
Petal	♻️	♻️						♻️	♻️	♻️	♻️	
Sparta		♻️	♻️					♻️	♻️	♻️	♻️	♻️
Sebring		♻️		♻️	♻️	♻️		♻️	♻️	♻️	♻️	
Anaheim	♻️	♻️		♻️		♻️	♻️	♻️	♻️	♻️	♻️	

KEY: ● REUSED ● RECYCLED

ENHANCED PRODUCER RESPONSIBILITY REGULATIONS

As an extension of our commitment to robust waste management, Diversified CPC endorses Enhanced Producer Responsibility (EPR) regulations and we are proactively preparing our facilities for compliance. Based on an EPR search, we have identified three regulations impacting our facilities:

- » Disposal of Mercury Thermostats
- » Electronic Products Recycling & Reuse
- » Battery Management

In accordance with these regulations, we have developed end-of-use treatment on the selected waste streams, and we have implemented procedures that enhance product recovery and minimize environmental impacts. We will continue to stay informed of and compliant with EPR regulations and municipal waste commitments.



AIR QUALITY & EMISSIONS



The U.S. is experiencing an unprecedented demand for clean and reliable liquid petroleum gas (LPG) products. Diversified CPC implements a reasonable, legally compliant, and comprehensive Air Quality Program, and we expect the same from our external business partners. Emissions of carbon should be monitored and minimized. Prior to discharge, emissions of volatile organic chemicals, corrosives, particulates, ozone depleting chemicals, and combustion byproducts generated from operations should be characterized, monitored, minimized, controlled, and treated as required.

Our facilities actively mitigate air emissions including, but not limited to, nitrogen oxides, volatile organic compounds, hazardous air pollutants, carbon monoxide, sulfur oxides and particulate matter. Our methods for mitigating these emissions include maximizing operational efficiency, implementing operational best practices and controls, and monitoring compliance with local, state, regional, and federal laws and regulations.

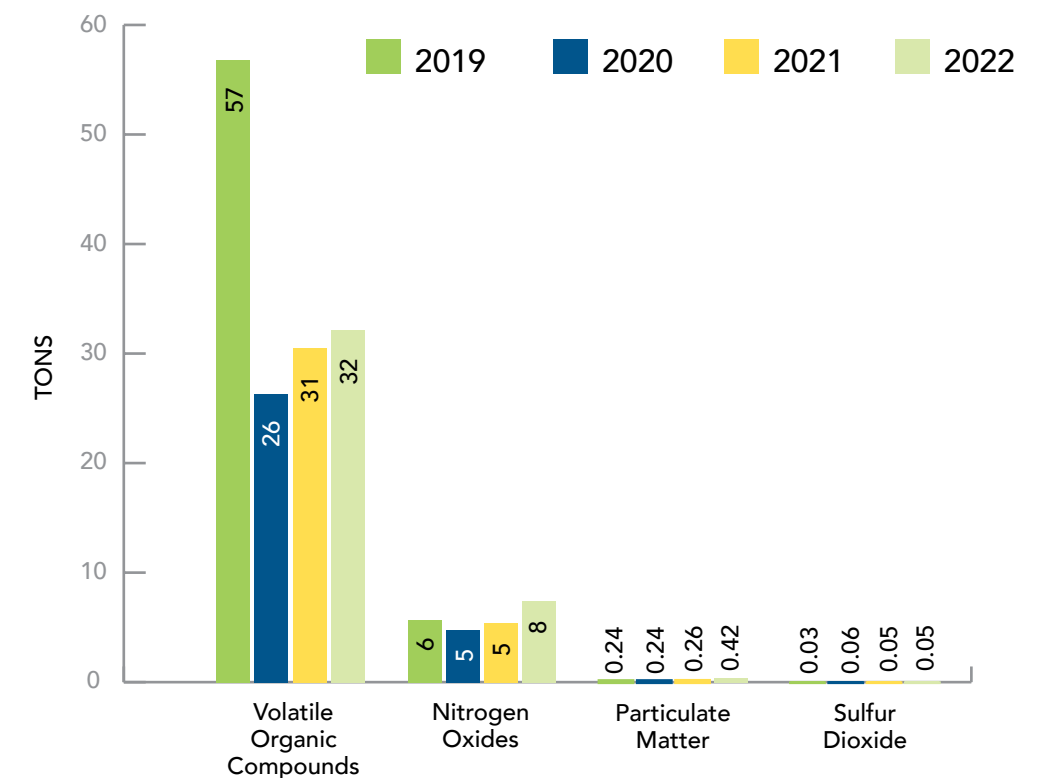
Our Channahon site uses an elevated flare as a control device to run off VOC emissions that otherwise would be released in the atmosphere. The facility also uses a Leak Detection and Repair (LDAR) program that identifies unintended or fugitive emissions from equipment. Operators are trained on procedures to reduce emissions and, when these procedures are followed, product leaks to the atmosphere are minimized.

Diversified CPC has robust procedures for tracking and reporting air quality data. We collate this data enterprise wide to maintain compliance with applicable regulations and permits. By 2025, we will expand our Management of Environmental Safety and Health (MESH) system to include an assessment for conducting internal audits of air emissions. We calculate and report annual emissions from our facilities in accordance with permit requirements. We also provide air quality permit training for employees who have direct responsibility for reporting annual emissions.

To achieve air quality goals, we annually report and certify that we are meeting or outperforming our Clean Air Act obligations under the following program areas:

- » State Construction Permits
- » CAAP Air Operating Permits
- » Tier II and Toxic Release Inventory Reports
- » EPA Risk Management Plans (RMP)
- » Leak Detection and Repair (LDAR)

AIR EMISSIONS



In 2021 we experienced an increase in air emissions due to the adoption of tighter product specifications that required additional processing to meet enhanced requirements.

ENERGY CONSUMPTION & GREENHOUSE GAS EMISSIONS

Diversified CPC aims to serve as a responsible steward of the environment. We recognize that the assets we operate and the products we deliver can affect people and the environment. As a global leader in the design, production, and distribution of the highest quality hydrocarbon products, we have the challenging task of balancing customer demand and existing technology constraints with concerns about climate change.

By increasing the efficiency of our operations, leveraging our engineering expertise, and implementing emissions reduction technologies, Diversified CPC is actively working to minimize our operational Scope 1 and Scope 2 greenhouse gas (GHG) emissions. Accurately tracking greenhouse gas emissions with measurable data will enable us to effectively communicate our performance to our stakeholders and to identify opportunities to reduce operational emissions.

Future requirements for monitoring greenhouse gas emissions and compliance with federal and state reporting mandates will be evaluated through the MESH assessment process. We use the guidance from the GHG protocol to help track and report Scope 1 Stationary and Mobile Combustion and Scope 2 Location-Based emissions data. We plan to report on Scope 1 Fugitive emissions when we are able to accurately track the inventory of our fugitive sources within our organizational boundary.

In the coming years Diversified CPC will look to begin reporting on our largest Scope 3 emissions categories, namely, the use of sold products, purchased goods and services, and the processing of sold products. The choice of which Scope 3 emissions categories Diversified CPC may report on are subject to change after preliminary estimations are made to investigate which categories may be the highest emissions sources. Our subject matter experts and engineering groups work directly with environmental specialists and operations personnel to use this data to develop and implement initiatives to mitigate greenhouse gas emissions.

INFORMATION ON EMISSIONS

This table refers to emissions independent of any GHG trades such as sales, purchases, transfers, or banking or allowances. Please see GHG Emissions Inventory at the back of the report for more data.

EMISSIONS	TOTAL (mtCO ₂ e)	TOTAL EMISSIONS INTENSITY (mtCO ₂ e/mtons of product output)
SCOPE 1 STATIONARY COMBUSTION EMISSIONS	9,281	0.1053
SCOPE 1 MOBILE COMBUSTION EMISSIONS	983	0.0111
SCOPE 2 LOCATION-BASED EMISSIONS	1,605	0.0182
TOTAL SCOPE 1 & 2	11,869	0.1346

STATEMENT REGARDING POLICY FOR BASE YEAR EMISSIONS RECALCULATIONS

Diversified CPC does not currently have a formal policy for our Greenhouse Gas (GHG) calculation methodology. However, we are aware of the importance of consistency and comparability of emissions over time, as emphasized in the GHG protocol. In the future, we plan to construct and implement a policy for GHG calculation methodology, including base year emissions recalculation. At this time, we have established a significance threshold that may trigger a base year recalculation of 10% of emissions intensity. We are aware of the triggers that may require a base year recalculation. Given the unlikelihood of a structural change such as a divestment, merger, or acquisition, we are currently employing a fixed base year (2022) approach. Other triggers, aside from structural changes, include outsourcing and insourcing of emitting activities, changes in calculation methodology that significantly impact the base year (such as emission factors or activity data), and/or the discovery of a significant (or cumulative) errors, misstatement, or omission.



IMPROVING SUSTAINABILITY OVERALL

The aerosol propellants industry has faced evolving environmental regulations over the past six decades. From Chlorofluorocarbons (CFCs) and ozone depletion in the 1970s and early 1980s, volatile organic compound limits on consumer products over the past three decades, a new focus on global warming potential (GWP), and a phase-down of Hydrofluorocarbons (HFCs), the industry has been resilient.

Diversified CPC is proud to support our aerosol customers with specialty blending and new innovative liquefied gas propellant alternatives to continue helping our industry meet these new environmental and regulatory requirements that continue to reduce the overall environmental footprint for our industry.

For the past six years, Diversified CPC has focused investments on growth markets while contributing strong support for the aerosol market segment. This continues to be key to our success. Investments in high-purity hydrocarbon purification processes also provided us with expanded production capabilities to meet tighter aerosol propellant quality specifications that went into effect earlier this year.

CONSERVATION, BIODIVERSITY & RESOURCE USE

To the extent possible, and with ongoing improvement, we will continue to implement conservation and resource utilization reduction programs to conserve resources, biodiversity, and ecosystems. As part of our commitment to protecting the communities where we work, we perform routine site inspections and monitor water usage. We also perform stormwater inspections to verify that our drains are clear from chemicals and other debris that could contaminate our lands and waterways.

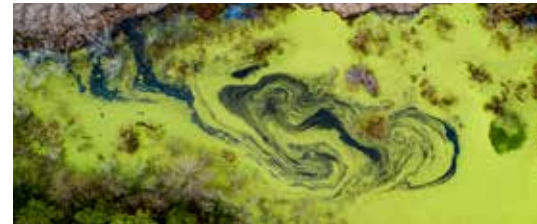
We manage environmental risks by assessing site locations in compliance with our internal inspection checklists that include making sure the following areas are free of leaks/spills such as: railcar & tank truck loading/unloading areas, tank farm areas & associated equipment integrity, plant process areas, pentane tank farm containment areas, garage/vehicle maintenance areas, container & drum storage areas. Other items on our inspection form include, preventative maintenance inspections completed, general housekeeping inspections completed, dumpster lids closed, driveway/staging areas free of litter, parking lot general condition standards, spill kits are adequate & available, and quarterly sampling & visual inspection results for all outfalls are satisfactory.

VISUAL INSPECTION CRITERIA FOR STORMWATER SAMPLES



COLOR

If the discharge has any color, it may indicate dissolved pollutants or suspended sediment.



ODOR

If the sample has any noticeable odor, for instance if it smells like gasoline or organic solvent fumes, rotten eggs, raw sewage, or any sour or unusual smell, this could be indicative of pollutants in the discharge.



CLARITY

If the discharge is not clear, but is cloudy or opaque, it could indicate elevated levels of pollutants in the discharge.



FLOATING SOLIDS

If floating materials are observed at or near the top of the bottle, take note of what the materials appear to be.



SETTLED SOLIDS

Wait about a half hour after collection, then note the type and size of materials that may be settled at the bottom of the bottle.



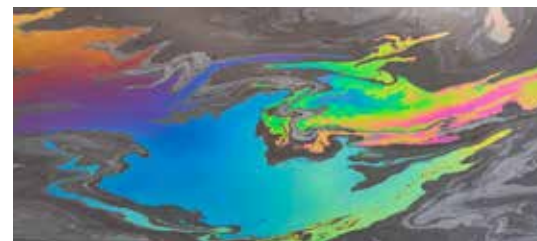
SUSPENDED SOLIDS

Particles suspended in the water will affect clarity and color and could be attributable to pollutant sources at the facility.



FOAM

When gently shook, if the bottle contains foam formation, it could be attributable to surfactants.



OIL SHEEN

If the surface of the water has a rainbow color or sheen, this would indicate the presence of oil or other hydrocarbons in the discharge procedure.



At the heart of our commitment lies the uplifting principle of placing people first, while continuously striving to improve every day.



Diversified CPC believes in putting people first – not only our employees, but people in all areas of our business including customers, suppliers, and our worldwide neighbors.

At Diversified CPC, we are committed to a cycle of continuous improvement in the steps we take to support our commitment to social responsibility efforts.

MATERIAL TOPICS

- 01 Diversity, Equity, & Inclusion
- 02 Community Involvement & Philanthropy
- 03 Occupational Health, Safety & Labor Practices
- 04 Human Rights
- 05 Employee Training, Development & Engagement

DIVERSITY, EQUITY, & INCLUSION

Diversified CPC is committed to fostering, cultivating, and preserving a culture of diversity, equity, and inclusion (DEI). To fulfill this commitment, we strive to cultivate an inclusive workplace and we equip managers and employees with tools to create equitable growth opportunities. We provide internal training and have integrated DEI strategies for vendor selection and hiring practices.

Further, we track DEI demographic data (such as ethnicity, age, gender, disability, etc.) and key performance indicators (such as retention, promotion rates, board composition), across the company. These measurements allow us to identify gaps in employee representation and experience across the organization. Per the company Code of Conduct, Diversified CPC condemns all forms of discrimination, harassment, and violence.

Our DEI efforts are supported by the following internal policies/programs:

- » DEI Policy
- » Code of Conduct
- » Employee Handbook
- » New Vendor Onboarding Application
- » Demographic Data Information Tracking
- » Celebration of International Women's Day

COMMUNITY INVOLVEMENT & PHILANTHROPY

Community involvement is critical to improving social and economic development, and we encourage all Diversified CPC stakeholders to be engaged, especially in the communities where we work. We believe that our communities are equally as important as our customers and employees, and we are committed to supporting local charities and organizations.

We established our flagship manufacturing facility in Channahon, IL in 1982.

Since then, we have been a long-time supporter of many local charities including the Channahon Three Rivers Festival and youth sports. We also support Morningstar Mission, a local homeless shelter, the Channahon Park District, and the Three Rivers Education Partnership, which is a group dedicated to linking local employers with schools to create awareness of career opportunities. Diversified CPC regularly supports the Alzheimer's Association and shares with employees announcements regarding local blood drives. We will continue to increase our involvement and patronage of local organizations in the future.

OCCUPATIONAL HEALTH & SAFETY & LABOR PRACTICES

At Diversified CPC, safety is a critical component of everyday business operations. A series of policies, procedures, and programs provide a framework for a workplace where employees share personal responsibility for maintaining a safe work environment. Our safety policy requires everyone to be responsible and accountable for recognizing and correcting risky behavior or unsafe conditions. This policy also establishes an ACHIEVE ZERO culture, an internal metric with a goal of eliminating injury and illness at our locations. At facilities across the United States, we have safety procedures such as energy control, work permits, mitigations for high-risk activities, personal protective equipment guidance, and reporting protocols for unsafe conditions.

EXAMPLES OF CONTROLS FOR MANAGING RISK.

ENGINEERING CONTROLS

Pressure Release
Valves

ADMIN CONTROLS

Safe Work Permits

PERSONAL PROTECTIVE EQUIPMENT

Safety Glasses &
Hard Hats



We make it a policy to maintain a safe and healthy workplace, to operate facilities in an environmentally responsible manner, and to assure the utmost care in the manufacturing and storage of products. To adhere to this policy, we monitor upcoming regulatory changes and use checklists to track the timely completion of safety, environmental, and human resource training tasks.

Our commitment to building a culture of safety is further supported by these policies, procedures, and programs:

- » Management of Environmental Safety and Health Assessment
- » PSM Documents & Audits
- » Training Plans
- » ISO 9001 Quality Management System
- » Risk Planning Documents
- » Safety Performance Metrics
- » Basic Elements Assessment Report
- » Entire Quality Management System Outline
- » Safe Work Practices
- » Emergency Procedures
- » Personnel Safety
- » OSHA Process Safety Management (PSM) Program
- » Health & Wellness Reimbursement Program

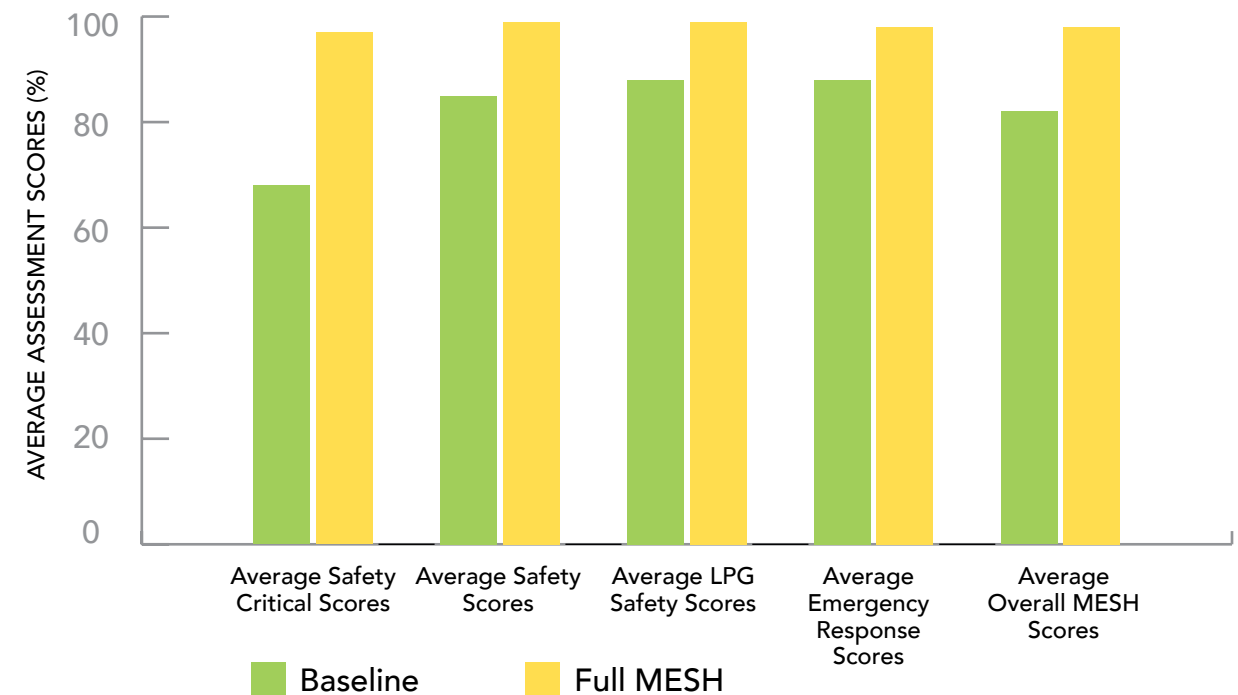
Diversified CPC is governed by Management of Environment, Safety, and Health Assessment (MESH), a company-wide system that consolidates regulatory data from multiple sources into one integrated management tool. Through MESH, our facilities share common goals, apply consistent metrics and targets, and align on best practices. Leveraging international standards such as ISO 14001 and OHSAS 18001/ISO 45001, MESH elevates Environmental, Health, and Safety (EHS) activities from a series of isolated events to a responsibility shared by all employees. We continue to see significant advancement in our EHS metrics each year.

Adherence to our safety procedures and practices is measured through MESH assessments. During our 2022 fiscal year (FY-22), we established two MESH improvement targets – 1) increase overall MESH scores by 10% when compared to our overall baseline score, and 2) increase our safety critical scores by 20% when compared to safety critical baseline score.

2022 Total Recordable Case Rate (TRCR)
1 Incident Rate

2022 Lost-Time Case Rate (LTCR)
0 Lost-Time

MESH ASSESSMENT ROLL-UP AVERAGE MESH MODULE SCORES



Fiscal Year 2022

Overall improvement of MESH scores = 20% when compared to baseline scores.

Improvement of MESH Safety Critical Scores = 43% increase when compared to baseline score.

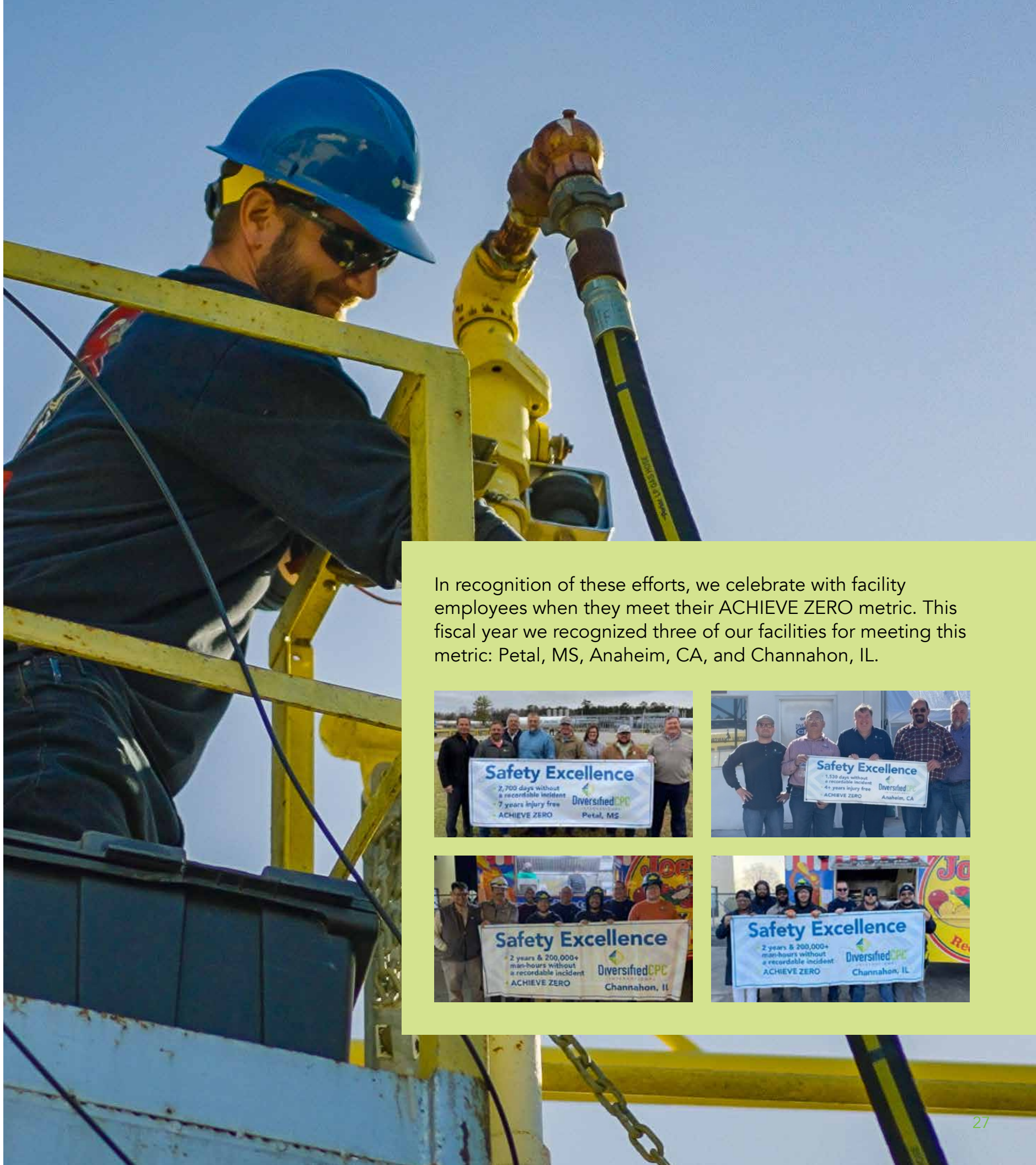
We place utmost importance on employee health and safety, a core value that's integral to every facet of our business. While our priorities can change daily, our values about safety remain unaffected. We take pride in having had no fatalities, a testament to our rigorous safety protocols. We set a goal of operating with zero incidents because we believe that everything we do can be done safely and without adverse impact to our employees, visitors, or contractors. Our employees believe that zero incidents can be achieved in facility operations, office areas, and while driving on the road. The Diversified CPC team has a sense of purpose and direction for their personal safety and the safety of those around them.

Our production facility operators have sent out 432 railcars and 2,358 tanker trucks during our 2022 fiscal year, totaling 27.4 million gallons of hazardous material shipped. In this year, we had zero (0) accident releases of hazardous material and zero (0) non-accident releases (NARs) of hazardous materials from rail transportation. There were zero (0) transport incidents and one (1) tractor trailer incident causing property damage.

To ACHIEVE ZERO incidents, we audit our safety programs through our MESH Assessment process. We also conduct monthly safety meetings with our plant managers and operators and send out weekly safety messages to all employees (MESH Minute). Additionally, our team members go through rigorous safety training to develop their skills to confirm that risk is controlled or eliminated.

ACHIEVE ZERO RECOGNITION METRIC

PLANT	HOURS	MONTHS	GOAL
Anaheim	42,307	58	36 months
Baumont	20,425	23	36 months
Channahon	219,203	23	200,000 hours
Petal	99,721	95	36 months
Sebring	11,714	15	36 months
Sparta	19,686	18	36 months
Company-Wide	223,590	15	250,000 hours



In recognition of these efforts, we celebrate with facility employees when they meet their ACHIEVE ZERO metric. This fiscal year we recognized three of our facilities for meeting this metric: Petal, MS, Anaheim, CA, and Channahon, IL.



During the 2022 fiscal year, we began to measure Process Safety Event (PSE) rates for loss of primary containment (LOPC) of greater consequence (Tier 1) and lesser consequence (Tier 2). A PSE is defined as an unplanned or uncontrolled LOPC of any material including non-toxic and non-flammable materials from a process, or an undesired event or condition that, under slightly different circumstances, could have resulted in an LOPC of a material.

TIER 01

PSE is defined as a LOPC with the greatest consequence, resulting in one or more of the following consequences:

- » An employee, contractor, or subcontractor experiencing a “days away from work” injury and/or fatality.
- » A hospital admission and/or fatality of a third party.
- » An officially declared community evacuation or community shelter-in-place.
- » A fire or explosion resulting in greater than or equal to \$100,000 in direct costs to the entity.
- » A pressure relief device (PRD) discharge to atmosphere, whether directly or via a downstream event release of material greater than the threshold EPA quantities.

TIER 02

PSE is defined as a LOPC with lesser consequence, not disclosed as a Tier 1 PSE, and resulting in one or more of the following consequences:

- » An employee, contractor, or subcontractor recordable injury.
- » A fire or explosion resulting in greater than or equal to \$2,500 in direct costs to the entity.
- » A PRD discharge to atmosphere, whether directly or via a downstream event release of material less than the threshold EPA quantities.

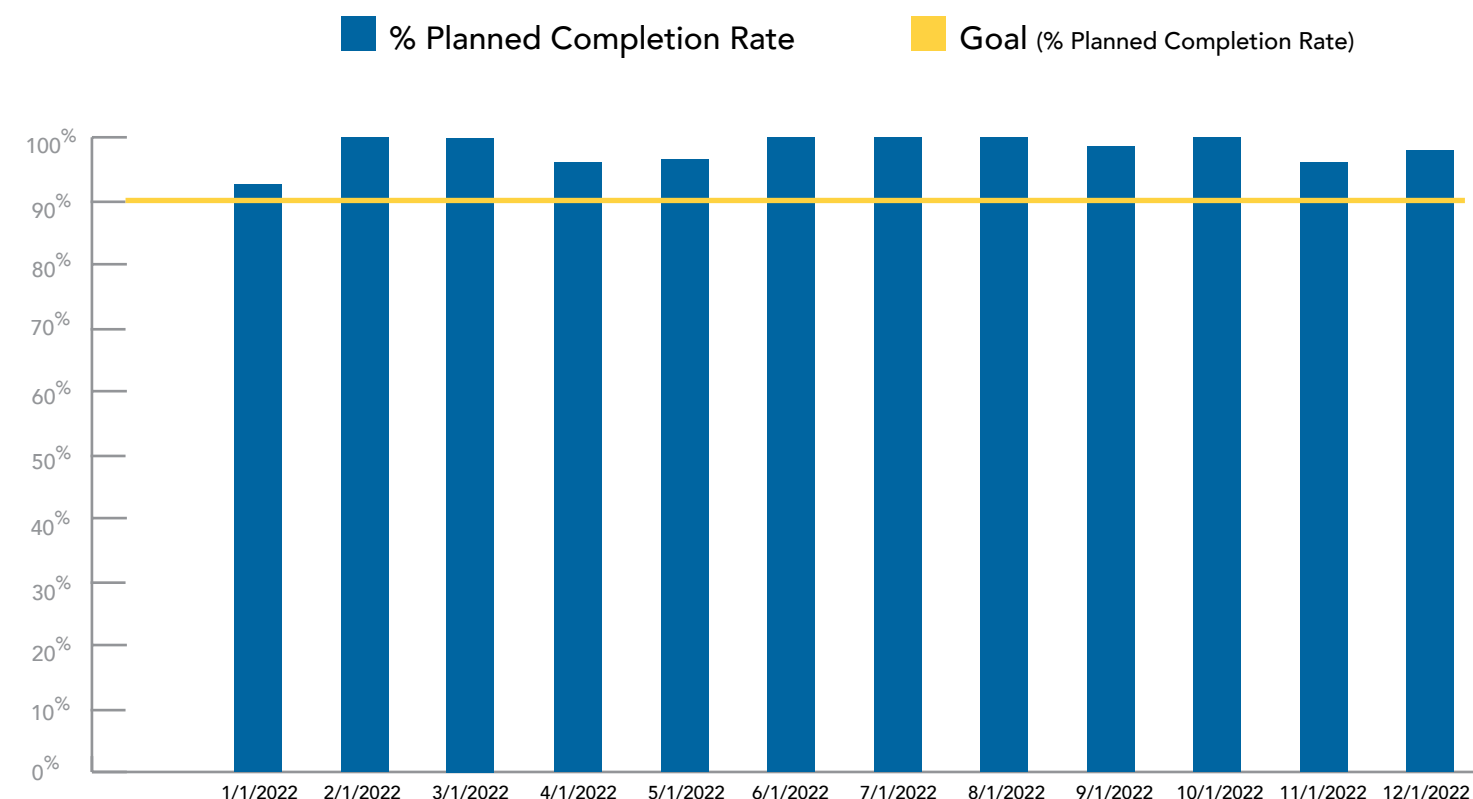
Tier 2 PSE

- » 6 – Events that resulted in a release of product less than EPA reportable quantities.
- » 1 – Fire in a MCC building.
- » 1 - Outside Contractor recordable injury.

To address our Tier 2 process safety events, we use specific key performance indicators (KPIs) to measure operations. These KPIs measure data from our ISO 9000 program and regulatory risk assessments to monitor the on-time completion of equipment maintenance, inspection, testing, and Process Safety Management (PSM) audits.

Two of the quality management system KPIs we use for identifying, measuring, and managing our operations include one for Preventative Maintenance (PM) and one for on-time response to Corrective Action Request (CAR). As illustrated in the graph below, we outperformed our PM KPI of 90% during this reporting period.

MAINTENANCE - PLANNED WORK ORDER COMPLETION



The quality of and adherence to our operating procedures is measured by evaluating CARs on-time response. Our CAR KPI is 95% on-time response. During this reporting period, 39 CARs were processed and 38 of the 39 were responded to on-time (97.4%)

CARs Summary	2023	2022	2021	2020	2019
Total # of CARs	7	32	42	40	35
Total Internal Audits	0	4	2	3	6
Total Internal Other	0	3	8	1	3
Total External CARs	6	1	4	2	1
Total Preventative CARs	0	1	1	1	0
Total Complaint	1	19	27	33	25

Total UL	0	4	0	0	0
Total CARs Open	7	7	8	0	0
Response Late	0	1	1	0	0
Timely Response Rate	100%	97%	98%	100%	100%
Total # of CARs	7	32	42	40	35

HUMAN RIGHTS

Diversified CPC supports the protection and preservation of human rights around the world. We are guided by fundamental principles such as those in the United Nations Universal Declaration of Human Rights and the International Labor Organization (ILO) Core Conventions regarding child labor, forced labor, freedom of association, the right to organize and bargain collectively, equal pay, and non-discrimination in the workforce. Our support for these principles is reflected in our policies and actions towards our employees, suppliers, clients, and the countries where we do business.

Furthermore, we respect the sovereignty of governments around the world and believe it is the responsibility of each nation to protect the human rights of its citizens. We realize, however, that the laws of some countries where we may do business differ from some global standards of human rights. In such circumstances, we expect our external business partners to comply with local laws while adhering to Diversified CPC standards.

We strive to support human rights through our supply chain by encouraging actions that are consistent with and further the objectives of Diversified CPC's Statement on Human Rights. We partner with organizations whose corporate values are consistent with ours and we consider these relationships to be an opportunity to share best practices.

BEST PRACTICES FOR CONFIRMING HUMAN RIGHTS ACROSS SUPPLY CHAINS

01 FREELY CHOSEN EMPLOYMENT

Workers shall not be forced, bonded, indentured, or subjected to involuntary prison labor. Workers must not be required to surrender any government-issued identification, passports, or work permits as a condition of employment. Suppliers or labor dispatch agencies shall not receive deposits or fees (such as recruitment or hiring fees) from workers.

02 CHILD LABOR AVOIDANCE

Child labor shall not be employed. The term "child" refers to any person under the age of 15 (or 14 where the law of the country permits), or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. The use of legitimate student intern programs, which comply with all laws and regulations, is supported. Workers over the legal minimum age for employment may be hired, however, workers under the age of 18 shall not perform work that is likely to jeopardize their health or safety, including night shifts and overtime, or work longer hours than is permitted by local law.

03 WORKING HOURS

Work weeks shall not exceed the maximum set by local law. Further, a workweek should not be more than allowable hours, including overtime, except in emergency or unusual situations. Workers shall be allowed at least one day off every seven days.

04 RESPECT IN THE WORKPLACE

Employees shall be treated with respect and dignity and work in an environment that is free from unlawful discrimination and harassment. Companies shall not engage in discrimination based on race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership, or marital status in hiring and employment practices such as wages, promotions, rewards, and access to training. In addition, unless medical tests are required for legal or safety reasons, workers or potential workers should not be subjected to medical tests that could be used in a discriminatory way.

05 EMPLOYEE BENEFITS

Employee salaries are established based on job responsibilities, candidate qualifications, and salary market analyses. Salaries – for all employees – are reviewed periodically to ensure they remain competitive with the market. We also provide an annual performance bonus program where everyone shares in the profitability and success of the company along with a 401K program that includes a company match. Diversified CPC pays 100% of medical coverage premiums and contributes to employees' Health Savings Accounts to help cover out-of-pocket expenses, which are capped. All employees are reimbursed for Personal Protection Equipment.

06 FREEDOM OF ASSOCIATION

In conformance with local law, Suppliers shall respect the right of all workers to form and join worker council or trade unions of their choosing, to bargain collectively and to engage in peaceful assembly, as well as respect the right of workers to refrain from such activities. Workers and/or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation, or harassment.



EMPLOYEE DEVELOPMENT & ENGAGEMENT

Diversified CPC strongly believes that our success is directly related to our outstanding employees. As reflected in our core values, our employees are the foundation of our company. As we are committed to the success and development of all team members, we provide extensive training programs and a variety of options for career growth and professional development. Employee surveys, goal setting, and training targets, and internal audits are conducted annually to provide a positive employee experience.

Diversified CPC offers performance and career development reviews on an annual basis. Our succession planning utilizes Individual Development Plans (IDPs) as a tool for career development.

HIGHLIGHTS OF OUR SKILLS DEVELOPMENT PROGRAMS

- External training seminars are encouraged and funded by Diversified CPC
- Training Plan details and milestones are maintained and tracked internally
- Tuition reimbursement for approved and qualified education
- Robust onboarding plans to help new hires feel confident in their roles
- Internal training courses and retraining as needed
- Electronic Employee Engagement Surveys
- Townhall meetings and newsletters to engage employees and keep them informed of company performance

HIGHLIGHTS OF OUR TRANSITION ASSISTANCE PROGRAMS

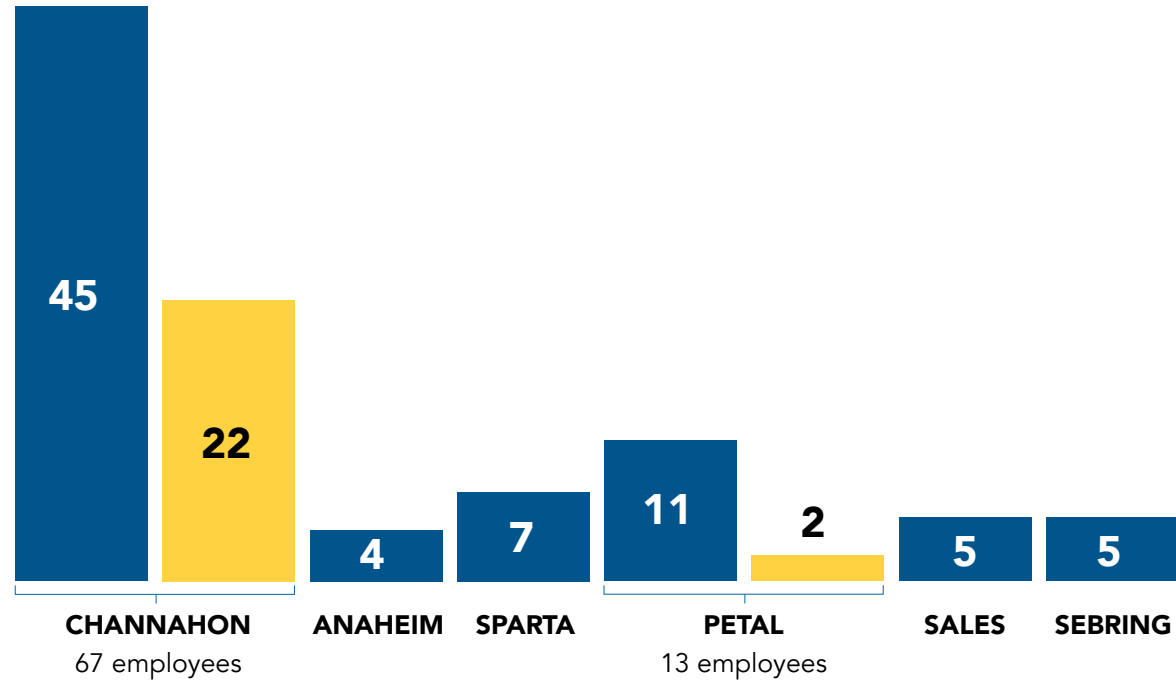
- Employee Assistance Program provides support for transitioning beyond Diversified CPC as appropriate
- One Digital (our benefit broker) provides assistance for retirement planning
- Severance pay as appropriate
- Job placement services as appropriate
- Succession planning is utilized for transitioning into new roles and for future retirements

2022 TRAINING

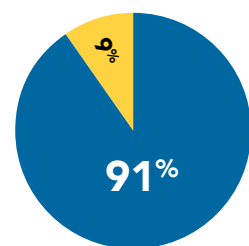
Average number of employees, expressed as full-time equivalent (FTE) by location and gender.

TOTAL EMPLOYEES: 101

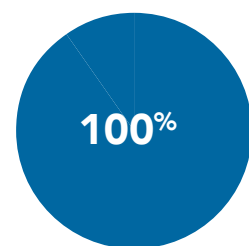
● Female ● Male



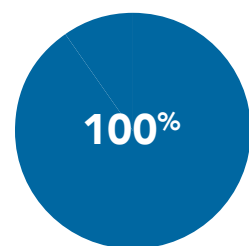
Trainings completed by location. ● Female ● Male



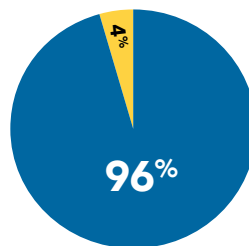
CHANNAHON
1,604 trainings completed



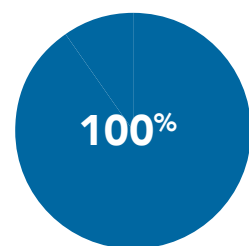
ANAHEIM
146 trainings completed



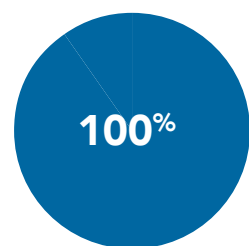
SPARTA
196 trainings completed



PETAL
253 trainings completed



SALES
46 trainings completed



SEBRING
99 trainings completed

More than 90% of our employee training was performed at our facility locations. However, 10% of employee trainings were completed at offsite locations.

DATE	CHANNAHON	ANAHEIM	SPARTA	PETAL/BEAUMONT	SALES	SEBRING	TOTAL
1/1/2022	132	23	11	32	3	18	219
2/1/2022	154	21	15	32	4	13	239
3/1/2022	152	12	16	35	7	21	243
4/1/2022	126	4	12	6	2	2	152
5/1/2022	171	8	15	9	2	2	359
6/1/2022	195	15	17	3	12	7	608
7/1/2022	265	13	19	1	7	17	322
8/1/2022	304	21	14	14	6	17	376
9/1/2022	183	22	39	46	7	12	309
10/1/2022	112	26	35	53	6	17	249
11/2/2022	122	18	27	57	2	12	238
12/2/2022	126	19	18	64	2	13	242
TOTAL	2,042	202	238	352	60	151	3,045

Additionally, all locations provide training for outside contractors before they are permitted to perform maintenance or construction activities within each facility's covered process. These trainings review topics such as hazard communication, emergency planning and response, energy control, hot work, confined space entry, fall protection, and personal protective equipment, and liquid petroleum gas safety.

FACILITY NAME	NUMBER OF OUTSIDE CONTRACTORS TRAINED DURING 2022 FY
Anaheim	5
Beaumont	128
Channahon	83
Petal	0
Sebring	31
Sparta	8



ADDITIONAL EMPLOYEE BENEFITS

Bonuses

All employees participate in the DCPC annual bonus program.

Life Insurance

Basic life insurance is 100% paid by Diversified CPC with additional benefits offered for a premium. Plans include access to telemedicine.

Healthcare

We offer a comprehensive benefits package including medical, dental, and vision insurance. Our medical coverage is a High Deductible Health Plan provided through Cigna. We also provide options for a Health Savings Account with an additional employer contribution.

Disability & Disability Coverage

Short-Term & Long-Term Disability benefits are 100% employer paid.

Retirement Provision

401(k) with 5% employer match.

AFLAC Voluntary Benefits

- » Accident
- » Critical Illness
- » Hospitality Indemnity

Miscellaneous

- » Smoking Cessation
- » Preventative & Well-Being Incentives
- » Employee Gym Memberships
- » Lifestyle Management Programs
- » Travel Program
- » Identity Force – provides identity theft protection
- » Financial, legal, and estate support through New York Life
- » Allowance for work apparel and prescription safety glasses

Our employee development and engagement measures are supported by the following:

- » Our Core Values
- » Training Plans
- » Employee Handbook
- » Pulse Surveys
- » Training Procedures
- » Professional Development Plans



Diversified CPC aspires to the highest standards of ethical and sustainable conduct in business practices and in deploying training and implementation programs to assure that all employees and stakeholders understand and adhere to these standards.

All forms of corruption, extortion, and embezzlement are unacceptable. Our core values drive the company's ethics and compliance, which focus on employees, customers, sustainability, and shareholders.

MATERIAL TOPICS

- 01 Business Ethics
- 02 Management of Regulatory & Legal Compliance
- 03 Product Design & Lifecycle Management

BUSINESS ETHICS

Diversified CPC's Code of Conduct sets the ethical conduct expectations for officers, directors, and employees at all levels. The highest standards of integrity shall be upheld in all business interactions. All forms of corruption, extortion, and embezzlement are unacceptable. Compliance with these standards is further supported by our core values. As such, we have no monetary losses during the reporting period due to legal proceedings associated with charges of bribery or corruption or anti-competitive behavior and/or practices.

Policies and Procedures Reflecting Business Ethics

- » Diversified CPC Code of Conduct
- » Employee Handbook (Standards of Conduct)
- » Risk Management Plans
- » Management of Environmental Health & Safety Audits

Diversified CPC has defined five core organizational values. To reinforce these values and ensure professional and ethical business operations, our Code of Conduct is integrated into the New Hire Orientation and Onboarding process. This comprehensive approach guarantees every employee is well versed in their compliance responsibilities, encompassing a broad spectrum of topics to uphold the highest levels of business ethics and governance. Our Code of Conduct includes specific guidelines such as anti-bribery and anti-corruption practices, reinforcing our commitment to integrity in every aspect of our business.

CODE OF CONDUCT POLICIES

Antitrust

Environmental Policies

- » Chemical Substance & Pollution Control
- » Environmental Due Diligence
- » Procedures for Discovery of an Issue

Political Contributions

Confidential Information

Communications & Legal Proceedings

Product Liability

International Transactions

Conflicts of Interest

Accuracy of Financial Documents

Intellectual Property

MANAGEMENT OF REGULATORY & LEGAL COMPLIANCE

At Diversified CPC, we believe that by auditing our safety and quality systems, implementing corrective actions to correct audit findings, and improving the development of innovative technologies, we will meet or exceed all environmental, safety, and other regulatory requirements.

Over the years, through our industry partners and associations, we have worked with the California Air Resources Board (CARB) on important initiatives, including regulations to help the industry transition away from ozone depleting substances and Chlorofluorocarbons (CFCs). Today, through the same associations and partnerships, we work with CARB and other regulatory agencies to further reduce Green House Gas (GHG) emissions and develop viable regulations regarding Volatile Organic Compounds (VOCs). We participate in the EPA's SmartWay program, wherein we partner with the EPA to measure, benchmark, and improve logistics operations so we can reduce our environmental footprint. We have been a partner since 2011. Additionally, we participate in the Aerosol Recycling Initiative. This program provides funding for the Household & Commercial Products Association (HCPA) and the Can Manufacturers Institute (CMI) to educate consumers about recycling, address data gaps, and increase the acceptance of empty aerosol containers at material recovery facilities.

A Sustainability Issues and Business Activities Matrix helps us identify risks and opportunities related to legislation and regulation of environmental and social themes that impact our industry. This matrix is leveraged against common sustainable development goals (SDGs) to consider important business activities for our stakeholders now and into the future.



SUSTAINABILITY ISSUES & DIVERSIFIED CPC BUSINESS ACTIVITIES MATRIX			
Business Activities	Major Risks (enhancement of competitiveness)	Major Opportunities (expansion of earning opportunities)	Material Topics
Regulatory Standards	Volatile Organic Compound regulations are driving the aerosol content.	DME, 134a, Blending Aerosol products.	<ul style="list-style-type: none"> • Energy Consumption & Greenhouse Gas Emissions • Occupational Health & Safety + Labor Practices • Air Quality & Emissions • Management of Regulatory & Legal Compliance • Critical Incident Risk Management • Business Ethics
Management of Trace Contaminations	We may lose business to lower-purity products.	We employ unmatched analytical and purification processes and best-in-class logistics management.	<ul style="list-style-type: none"> • Enhanced Producer Responsibility Laws • Occupational Health & Safety + Labor Practices • Management of Regulatory & Legal Compliance • Waste & Substance Management • Critical Incident Risk Management • Conservation, Biodiversity, & Resource Reuse • Employee & Contractor Training • Business Ethics
Product Development	Low-purity products.	High-purity refrigeration products will help customers reduce energy consumption, reduce environmental footprint, improve plant operations.	<ul style="list-style-type: none"> • Energy Consumption & Greenhouse Gas Emissions • Management of Regulatory & Legal Compliance



PRODUCT DESIGN & LIFE CYCLE MANAGEMENT

The utilization of life cycle analysis is always encouraged to minimize our environmental impact. This analysis considers a variety of factors such as the use of recycled material, energy consumption during service delivery, manufacturing and use, material identification, disassembly, and choice of material. Our life cycle analysis is managed through three (3) operational streams.

- » Supply Chain Management efforts focus on building relationships with suppliers who uphold our commitment to operational excellence and support our core values and vision for sustainability.
- » Operational leaders continuously look for methods to reduce environmental impacts associated with operational activities.
- » Innovative developments in products and services that offer environmental and social benefits are encouraged.

Diversified CPC identifies, measures, and manages our Operating Discipline and Management System Performance through a series of key performance indicators (KPIs). These indicators are specific to our facilities and unique operations and are used to maintain safety and manage risk. Two examples of such KPIs are 1) equipment maintenance, inspection, and testing, and 2) process hazard and major incident risk assessments. Our equipment maintenance, inspection, and testing KPI is an on-time completion metric that is measured and monitored within our ISO 9000 management system. The process hazard and major incident risk assessments are measured and tracked within our regulatory checklist.



We are committed to upholding the highest level of ethics and sustainable business practices, which serve as the driving force behind our future-oriented values.



Napoleon Hill, a great American Author said, “A goal is a dream with a deadline.” At Diversified CPC, we set our goal to publish this 2022 Sustainability Report which addresses our policies, programs, practices, and performance across sustainability areas.

Our next step is to identify and address our opportunities to influence sustainability innovation across our business, our supply chains, and our stakeholders. Potential innovations include those that reduce emissions and waste, transition to a lower environmental footprint, and leverage our creative minds to help our value-chain players comply with and, in some instances, shape regulation.

For products requiring a non-flammable liquefied gas aerosol propellant, the market is transitioning to products with lower GWP (except for critical aerosol product applications currently exempted by the U.S. EPA). We are prepared to accommodate this evolution with a number of innovative solutions.

We also have a great opportunity to collaborate with and leverage the expansive sustainability-related resources of our parent company, Sumitomo Corporation of Americas. The complexity of sustainability challenges is such that no single company is likely to have all the answers. As a result, our innovation and sustainability growth will require a collaborative approach. Finally, creating a business culture where sustainability metrics compel us to develop new innovations that benefit our global community and our business.

Our dream to begin our sustainability journey and meeting our deadline has been met but it is just the start. Our future is pure, and it will move fast. So here we go!

**The Future
is Pure.**



DISCLOSURE TOPIC	METRIC	METRIC CODE	PAGE REFERENCE / RATIONALE
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	RT-CH-110a.1	PG. 19 Corporate fugitive emissions are being collected and will be reported in our 2023 report.
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	RT-CH-110a.2	As this is Diversified CPC's inaugural year of Sustainability reporting, we intend to acquire and disclose this data next year, along with a description of our climate-related strategy.
Air Quality	Air emissions of the following pollutants: (1) NOX (excluding N2O), (2) SOX, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	RT-CH-120a.1	Diversified CPC does not produce HAPs, and therefore no values are disclosed for this metric.
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	T-CH-130a.1	Diversified CPC does not currently have any renewable energy sources, but we plan to obtain and disclose this data in future reporting along with an energy-related strategy.
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	RT-CH-140a.1	Diversified CPC is actively monitoring its water consumption, with the largest percentage of our water consumption related to process cooling from our cooling tower, and an annual process-related water usage of 855,913 US Gallons of Water. We are committed to strengthening our understanding of water data, risks, and opportunities in the future.
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	RT-CH-140a.2	
	Description of water management risks and discussion of strategies and practices to mitigate those risks	RT-CH-140a.3	
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled.	RT-CH-150a.1	In the Fiscal Year of 2022, our company generated zero hazardous waste.
Environmental Impacts of Project Development	Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction	IF-EN-160a.2	PG. 21
Community Relations	Discussion of engagement processes to manage risks and opportunities associated with community interests	RT-CH-210a.1	PG. 24 The company has implemented a policy around community relations to become effective in fiscal year 2023.
Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	RT-CH-320a.1	PG. 26
	Discussion of management systems used to integrate a culture of safety	EM-RM-320a.2	
Product Design for Use Phase Efficiency	Revenue from products designed for use phase resource efficiency	RT-CH-410a.1	While some of our customers have conducted analyses demonstrating that our products lead to increased efficiencies, we have yet to formally analyze the sustainable revenue derived from these products.
Safety & Environmental Stewardship of Chemicals	(1) Percentage of products that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products that have undergone a hazard assessment	RT-CH-410b.1	After careful analysis, we have determined that this metric is not material or relevant to the way we operate our business.
	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	RT-CH-410b.2	PG. 15 & 20
Genetically Modified Organisms	Percentage of products by revenue that contain genetically modified organisms (GMOs)	RT-CH-410c.1	After careful analysis, we have determined that this metric is not material or relevant to the way we operate our business.
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption and (2) anticompetitive practices	IF-EN-510a.2	PG. 34
	Description of policies and practices for prevention of (1) bribery and corruption, and (2) anti-competitive behavior in the project bidding processes	IF-EN-510a.3	
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	RT-CH-530a.1	While Diversified CPC actively participates in programs and initiatives aimed at addressing environmental and social factors affecting the industry, and internally monitors the evolving Sustainability regulatory environment, we do not currently hold corporate-level positions specifically dedicated to government regulations and/or policy proposals related to sustainability.
Operational Safety, Emergency Preparedness & Response	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR) ⁴	RT-CH-540a.1	While Diversified CPC has chosen not to report on these specific metrics, we have instead opted to report on similar but more applicable OSHA metrics from the oil and gas industry, which align better with the nature of our business.
	Number of transport incidents	RT-CH-540a.2	
	Number of (1) accident releases and (2) non-accident releases (NARs) from rail transportation	EM-MD-540a.3	
Critical Incident Risk Management	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1) and lesser consequence (Tier 2)	M-RM-540a.1	PG. 27 PG. 28

Have any facilities, operations and/or emissions sources been excluded from this inventory? If yes, please specify.

No facilities have been excluded from our 2022 fiscal year baseline inventory.

Reporting period covered by this inventory

From 4/01/2022 to 3/31/2023.

ORGANIZATIONAL BOUNDARIES

Which consolidation approach was chosen (check each consolidation approach for which your company is reporting emissions.) If your company is reporting according to more than one consolidation approach, please complete and attach an additional completed reporting template that provides your company's emissions data following the other consolidation approach(es).

Equity Share: Financial Control: Operational Control: **X**

OPERATIONAL BOUNDARIES

Are Scope 3 emissions included in this inventory?

Yes: No: **X**

Direct CO2 emissions from Biogenic combustion (mtCO2)

No biogenic sources.

BASE YEAR

Fiscal Year (FY) 2022

Clarification of company-determined policy for making base year emissions recalculations.

FY 2022 represents our first sustainability report. Going forward we plan to report total CO2e emissions and then compare our normalized emissions year-over-year.

Content for any significant emissions changes that trigger base year emissions calculations.

Fugitive emissions have been excluded from the calculations this year, and will be included for our 2023 report.

No significant changes to report.



DiversifiedCPC

INTERNATIONAL

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