



2019  
SUSTAINABILITY  
R E P O R T



**A n d e r s o n**  
DEVELOPMENT COMPANY

*Act Responsibly, Think Sustainably*

CONTENTS



**Message from our President and CEO** ..... 3

**Year at a Glance** ..... 4

    Community Engagement & Educational Outreach ..... 4

**Sustainability Report 2019** ..... 6

    Aim ..... 6

    Targets and Time covered in this Report ..... 6

    Global Reporting Initiative (GRI) ..... 6

    Contact for the Report ..... 6

**About the Company** ..... 7

    History ..... 7

    Corporate Mission ..... 8

    Our Values ..... 8

    Responsible Care® ..... 8

    Code of Conduct ..... 8

    Participation in Associations and Organizations ..... 9

**Products and Services** ..... 10

    Urethane Case Study ..... 11

    Markets Served ..... 11

**Corporate Governance** ..... 12

    Governance Structure ..... 12

    Policies and Certifications ..... 13

**Financial Information** ..... 13

**Commitment to Sustainability** ..... 14

    United Nations Sustainable Development Goals ..... 14

    Sustainability Week ..... 15

    Together for Sustainability and EcoVadis ..... 16

    Quality, Environment, Health, Safety & Security Commitments ..... 17

**Stakeholders** ..... 18

**Determining the Content of our Report** ..... 19

**Our Employees** ..... 20

    Employee Health and Safety ..... 21

    Hidden Assets ..... 22

**Product Responsibility** ..... 24

    Supply Chain ..... 24

**Environment** ..... 25

    Water ..... 25

    Environmental Initiatives ..... 25

    Energy and Emissions ..... 26

    Waste Management ..... 26

**Actions and Future Goals** ..... 28

    Sustainability Vision and Mission ..... 28

    2020 Sustainability Goals ..... 28

**GRI Index** ..... 30



**MARK KRAMER**

Anderson Development Company  
President & CEO

*Dear Friends of Anderson Development,*

Anderson Development Company is a leading specialty chemical manufacturer, headquartered in North America, and serving customers around the globe. To promote sustainable growth today, tomorrow and well into the future, we must achieve excellence in all three facets of the triple bottom line:

**People** – We must achieve excellence in supporting and protecting people, our most important resource, and operate in harmony with the community around us. Our significant investment in skills training and workplace safety for our associates, as well as helping local education institutions develop their students will ensure our mutual success.

**Planet** – We must achieve excellence in protecting our planet, its valuable resources, and its climate. It is critical for us to properly manage the materials we use, shrink our carbon footprint, minimize air emissions, reduce waste and ensure it is managed properly, and conserve energy and water.

**Economic viability** – Economic strength allows us to maintain our license to operate, execute our mission sustainably, and secure technical and financial resources from our stakeholders. Excellence ensures we can continue paying competitive wages, supporting our local business partners, and fulfilling our regulatory and tax obligations.

We accept our responsibility for the impact our operations have on people and the environment and strive to lead by example, knowing long term economic success is not possible in a society that fails. This ethic manifests in our products, relationships, and workplace.

Anderson Development Company partners with customers to solve their problems helping to make their businesses safe, sound, and competitive. As a material science company that supplies businesses with products that they, in turn, use to produce a wide range of industrial and consumer goods, we realize that the contributions of our materials may go largely unseen. Our products make end-use products tougher and longer lasting, more resource or footprint efficient, or may allow the final products to be produced in a manner that is safer and more environmentally friendly. In any event, the focus on customer, their success, and their positive impact on the world is critical to Anderson Development Company’s success.

We continually aspire to operate an incident-free workplace. By engaging our people in our common goals for a safe and environmentally-

friendly workplace, Anderson Development works as one team, comprised of diverse individuals who have accepted the challenge of creatively collaborating cross-functionally, to achieve our goals.

While we are always setting our expectations higher in our pursuit of excellence, in the last year, the company has progressed significantly along its journey. We will continue to focus on operational sustainability through excellence in Safety, Health, Environment, and Quality and we will continue to pursue sustainability holistically and steward our broader impact on society.

We have high aspirations and expectations with respect to how we can make a positive impact on society. At the same time, we have the humility to understand and believe that we need to learn and improve in order to achieve our goals, so our journey is not yet complete. With our team of passionate people, I have every confidence that we will achieve our dreams.

Sincerely,

*Mark J Kramer*

Mark Kramer





## COOPERATIVE EDUCATION AND INTERNSHIPS

Each year Anderson Development partners with local universities to provide cooperative education and internship experiences to college students hoping to inspire the next generation to pursue STEM careers. Students perform engineering functions and participate in chemistry research and development to supplement their university education.



# YEAR AT A GLANCE



## COMMUNITY ENGAGEMENT // EDUCATIONAL OUTREACH

Anderson Development Company is an active and responsible member of the community in which we operate. We are committed to the protection of the environment, and the health, safety, and security of our employees and our community. We are actively involved in several community educational and outreach programs throughout the year and throughout Lenawee County.

- 1 March 2018 **JA Jobshadow program; Engineering and R&D** // ADC welcomes students who have interest in becoming chemists or engineers.
- 2 May 2018/2019 **Payback for Education** // ADC partners with Lenawee ISD and is paired with 8th grade students based on their career interests. ADC spends the day with students to teach them about ADC and related careers.
- 3 May 2018/2019 **Strokes for Students** // ADC participates in this fundraiser annually. Proceeds help fund student scholarships and mini grants for educators.
- 4 May 2018/2019 **Scholarships** // ADC offers many scholarships to Lenawee County Students and children of ADC employees who pursue higher education in a STEM field.

- 5 May 2018 **Siena Heights Environmental Science group tour** // ADC welcomes tours from local universities. It is our mission to share the career possibilities within the business of chemistry to the next generation.
- 6 July 2018/2019 **iChallengeU** // A two-week educational opportunity for high school students to work with area teachers, corporate, civic, and community leaders to develop solutions to real problems posed by the company. ADC has participated for many years!
- 7 September 2018 **50th Anniversary Celebration** // ADC celebrated 50 years! It was a great day of celebrating with employees, friends and family!
- 8 Oct 2018/2019 **Manufacturing Day** // A celebration of modern manufacturing. This day inspired thousands of manufacturers to open their doors and demonstrate modern manufacturing in action and inspire the next generation of skilled workers.

9 October 2018/2019 **Keep Lenawee Warm** // One way ADC can give back to the local community. Each year, ADC collects coats, blankets, hats, gloves and the like for the Associate Charities of Lenawee who provide to those in need during their annual giveaway event.

10 December 2018/2019 **Pack the Pickup** // An annual event for ADC. Food is packed into the back of a pickup truck and donated to the Lenawee Bread of Adrian. ADC collected 1940 lbs of food and donated \$380 in cash donations in 2018 and collected 2260 lbs of food and donated \$390 in donations in 2019.

11 December 2018 **Educators link with businesses** // ADC presented on root cause analysis to local educators.

12 March 2019 **Adrian & Washtenaw Fire Dept Training at ADC** // ADC opened the doors of our training room to local first responders. This relationship provides an open line of communication, familiarity of our facility and chemicals we produce, which helps to keep our community, first responders and employees safe.

13 May 2019 **LISD Technology Tour** // ADC shared the many ways technology is used throughout the various departments. Our operations depend on technology from manufacturing to accounting and everything in between!

14 August 2019 **Sustainability week** // Our first annual Sustainability Week was a great success and an opportunity to further involve all levels of the company on our mission toward a sustainable future.

15 August 2019 **Ecovadis Gold** // ADC received the highest recognition from the leading independent environmental, social and ethical performance scorecard for global supply chains. This ranking put ADC in top 1% of the over 55,000 companies evaluated world-wide!

16 September 2019 **University of Michigan Hyperloop** // ADC collaborated with the University of Michigan Hyperloop program. As a Maize level sponsor ADC provides engineering and manufacturing support to the program.

**"We hope that opening our doors to the next generation and providing them a real-life experience will inspire them to pursue a career within the chemical manufacturing industry. We truly enjoy the time we spend with the students who visit and work with us."**



20/19

## SUSTAINABILITY REPORT

**Aim**

The aim of this 2019 Sustainability Report is to inform all stakeholders of Anderson Development Company in a comprehensive manner about our sustainability performance. Information about our sustainability strategy and initiatives can be found on our website:

[andersondevelopment.com/sustainability](http://andersondevelopment.com/sustainability)

**Targets and Time covered in this Report**

This Sustainability Report represents the company's strategy and biennial actions for the four pillars of Corporate Social Responsibility (Society, Environment, Marketplace and Workplace) for the period January 1, 2018 to December 31, 2019.

The Report includes our commitments to the principles and the strategy of Anderson Development Company towards Corporate Social Responsibility.

**Global Reporting Initiative (GRI)**

This report has been prepared in accordance with the GRI Standards: Core option.

**Contact for the Report**

For any further queries regarding the Sustainability Report for 2019, you may contact us at the following address:

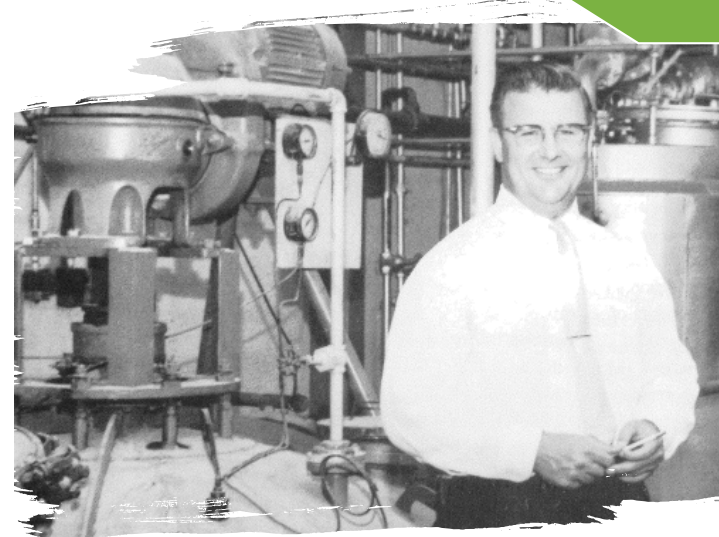


**Anderson**  
DEVELOPMENT COMPANY

**Sustainability Committee**  
**Product Stewardship Department**

**1415 E. Michigan St.**  
**Adrian, MI 49221**

[csr@anddev.com](mailto:csr@anddev.com)

**HISTORY**

*Anderson Development Company is a Specialty Chemical Company located in Adrian, MI (USA). We are a wholly owned subsidiary of Mitsui Chemicals Inc., incorporated in the state of Michigan in the USA.*

Anderson Development Company was founded in 1966 and incorporated in 1968 by Mr. Amos R. Anderson, after a long career in research and operations at leading chemical companies. Mr. Anderson's leadership and expertise in organometallic chemistry was pivotal to building a solid reputation for the development and manufacture of unique specialty chemicals. Over the years, the company evolved from contract research to contract manufacturing to development and manufacturing of differentiated high performance specialty materials. Anderson Development now serves the chemical industry as a key producer of thousands of tons of unique proprietary products for the coatings, elastomer, pharmaceutical, catalyst and electronics markets, as well as assisting other leading companies with toll manufacturing of select products within our chemical competencies. Core competencies include a wide range of chemistries like Acrylic and Urethane polymers, Organometallics, Organoboron reagents, and many others, including the necessary separation and purification processes required to produce high quality products.

In 1988, the company was acquired by Mitsui Toatsu Chemicals, which later merged with Mitsui Petrochemicals to become Mitsui Chemicals. Anderson Development's current product lines consist of a diverse line of differentiated specialty chemicals developed organically in our Adrian Research Facilities, transplanted from Mitsui Chemicals Research in Japan, or developed by and custom manufactured for leading Fortune 100 chemical companies. Anderson Development can either work completely independently from Mitsui Chemicals or cooperatively with Mitsui Chemicals, with complete secrecy and intellectual property protection or utilizing Mitsui Chemicals significant resources, depending on customer requirements. Independently operated, Anderson Development Company serves as the business center and technical center of excellence for a number of product lines within the Mitsui Chemicals Group.

Anderson Development has maintained its entrepreneurial and developmental spirit while evolving into a global manufacturer using the

systematic ISO 9001, ISO 14001, RC<sup>®</sup> 14001 and cGMP work processes needed to exceed the expectations of Quality, Safety, and Environmentally focused industries like top tier Automotive, Coatings, Pharmaceutical, and Semiconductor Manufacturers, while remaining globally cost-competitive.

***Anderson Development has remained in Adrian, Michigan, growing into a diversified performance and fine chemical company specializing in many chemistries and toll manufacturing.***

Anderson Development's business has grown globally over the last 50 years, with products produced in Adrian, proving their quality and competitiveness with major exports to Europe and Asia. While Anderson Development may not be a household name, our customer focus has been crucial to commercializing, manufacturing, and selling products which are widely used by both domestic and international companies for the manufacture of leading end-use products. It is guaranteed that you have seen our products in action, and Anderson Development is proud to be supplying the world's industries.

## CORPORATE MISSION

“Anderson Development Company will be a global supplier of innovative specialty chemical products, striving for continual improvement in all of our operations. It is our goal to be personal, efficient, and responsive to our customers and employees. We will provide a team-oriented atmosphere while allowing for individual diversity among our employees.”

## OUR VALUES

*As a respected member of the community, both global and local, it is essential that Anderson Development's business is conducted in accordance with the highest standards.*

**Responsible Operation** – All our operations will be conducted in a safe and environmentally sound manner, in compliance with all regulations. Anderson Development will endeavor to operate in harmony with our community.

**Ethical and with Integrity** – We will always act in good faith for people and society. We will act ethically and with integrity, and always follow our Code of Conduct.

**Customer Focus** – Anderson Development only succeeds when our customers succeed. Providing solutions to our customers to meet their needs is key to this success. We work every day to earn their trust and ensure their satisfaction.

**Quality of Life** – Anderson Development will work to improve the quality of life of our stakeholders- customers, employees, community, and shareholders.

**Continual Improvement** – We will challenge ourselves and never rest on the success of our past achievements. Using what we have learned, we will continue to move forward developing our business and ourselves. We will trust in our potential as we move forward and not fear failure.

**Team Oriented Atmosphere** – Our company and our associates are made stronger by working together towards our common mission. We will actively communicate, collaborate, and use our individual strengths to achieve success together.

**Individual Diversity** – Anderson Development values the differences that each unique associate brings to the team. We will encourage diversity.

## RESPONSIBLE CARE®

At Anderson Development, the protection of our local and global communities is critical to the long-term success of our customers and to the long-term success of our company. Anderson Development follows the principles of Responsible Care® which aim to continually improve performance related to the environment, health, safety, and security with a focus on our stakeholders. To read about our full commitment to Responsible Care® visit our website:

[andersondevelopment.com/sustainability/Responsible-Care-\\_reg\\_](http://andersondevelopment.com/sustainability/Responsible-Care-_reg_)

## CODE OF CONDUCT

The Anderson Development Company Code of Conduct states that every employee should act with integrity and responsibility. View our Code of Conduct on our website:

[andersondevelopment.com/sustainability/code-of-conduct](http://andersondevelopment.com/sustainability/code-of-conduct)

## PARTICIPATION IN ASSOCIATIONS AND ORGANIZATIONS

Anderson Development partners with organizations around the world, supports global sustainability initiatives, and engages regularly with outside stakeholder groups. We recognize that collaboration is key in solving some of the world's greatest sustainability challenges. Our employees are encouraged to participate in associations and organizations at the regional, national, and international level. We have several employees who are actively engaged in their perspective organizations; holding leadership positions and serving as board members and committee chairs. In addition to our direct business engagement, many of our employees give back through corporate philanthropy and volunteerism.

View the association and organizations ADC participates in here:

[www.andersondevelopment.com/sustainability/Sustainability-2020](http://www.andersondevelopment.com/sustainability/Sustainability-2020)



**Mark Kramer**

**Organization:** American Chemistry Council (ACC)

**Role:** CSME Committee Chair & Member of the: Executive Board; Board; Membership/Finance Committee; PAC Board

**Organization:** Michigan Chemistry Council (MCC)

**Role:** President

**Purpose of the organizations:** Advocacy for the business of chemistry, networking among companies in the business of chemistry, and sharing of best practices (safety, environmental, sustainability) for the business of chemistry.

**Why are these organizations impactful or important?** Engagement with ACC and MCC helps us to make sure we keep the bigger picture in our sights. We can learn from others and teach them what we have learned. We can engage with regulators to make sure the regulations proposed are meaningful, and have the intended outcomes. It is in our best interest to make sure our materials are used safely, are used in the right way, and having an effective regulatory structure helps us with that.



**Chris Goeloe**

**Organization:** Polyurethane Manufacturers Association (PMA)

PMA is a trade organization representing the hot cast, heat cured elastomer industry. PMA adds value to the cast polyurethane industry by providing a forum for sharing best business practices and technical innovations, and promoting sustainability by advocating for the safe and responsible use and accessibility of the chemicals in our industry.

**Role:** Co-Chair EHS-Regulatory Committee

**Why is this organization impactful or important?**

I enjoy the opportunity to provide environmental, health, and safety assistance to members to promote sustainability within the cast elastomer industry.



**Steve Seneker**

**Organization:** Polyurethane Manufacturers Association (PMA)

A trade organization representing the hot cast, heat cured elastomer industry.

**Role:** Co-chair of the Advocacy Committee

**Why is this organization impactful or important?** The PMA is important for multiple reasons. The organization addresses regulatory issues within our industry, particularly regarding MOCA, and shares valuable technical information with its members. The PMA hosts an annual conference, which is attended by both our customers and many suppliers.

**Organization:** Center for the Polyurethane Industry (CPI)

A trade organization representing the polyurethane industry.

**Role:** Member

**Why is this organization impactful or important?** CPI supports its members by providing them important technical information and regulatory developments pertaining to isocyanates. The CPI also facilitates information sharing by hosting an annual conference, which is regularly attended by our suppliers.

PRODUCTS AND SERVICES

**At Anderson Development Company, we focus on our customers' success, and are committed to providing our customers value-added solutions. We are a specialist in custom manufacturing with 50 years of diverse experience in synthesis, distillation, blending, crystallization, filtering, and related processes. Spacious, well-equipped and maintained facilities are available for producing intermediates or finished products.**

Our Almatex® acrylic resins, Andur® urethane prepolymers and Curene® curatives, and Almabor® boron compounds are just three product lines that empower hundreds of applications world-wide, in markets as diverse as automotive coatings, adhesive, sealant, elastomers, semiconductors, pharmaceuticals, and catalysts.



**Almatex® Acrylic Resins**

Almatex® acrylic resins represent a wide range of high quality, crystal clear acrylic powder coating resins. These resins are mainly GMA acrylics (epoxy functional), although hydroxyl functional or carboxylic functional acrylics (HFA or CFA) are also available.

Powder coating made from Almatex® GMA acrylics is especially noted for weather durability, gloss, crystal clarity, chemical resistance, and smooth finish. The resins exhibit excellent oven-bake tolerance, good caking stability, excellent electrical insulation properties, and an outstanding performance in electrostatic spraying equipment. These products allow application of the coating without solvent, allow the recovery and reuse of overspray, and require low temperatures for curing. Their use provides significant VOC reductions and a lower carbon footprint for the end user.

**Applications:** automotive coatings, aluminum wheels, outdoor furniture, lawn and garden equipment, various architectural uses



**Almabor® Boron Compounds**

Anderson Development is one of the world's largest merchant producers of specialty borate esters. Anderson Development is a global supplier of a boron-based product line, Almabor®, including: Triisopropyl Borate (TiPB), Triethyl Borate (TEB), Tri-n-Butyl Borate (TnBB), Trimethoxyboroxine (TMBX), among others. Anderson Development serves a diverse range of highly specialized industries with boron applications including electronic chip manufacturing, chemical intermediates, catalysts, fuel and lubricant additives, adhesion polymers, liquid crystal manufacturing, and more.

**Applications:** pharmaceutical synthesis, electronics, adhesion and lubrication additives, oil fields

Urethane CASE STUDY

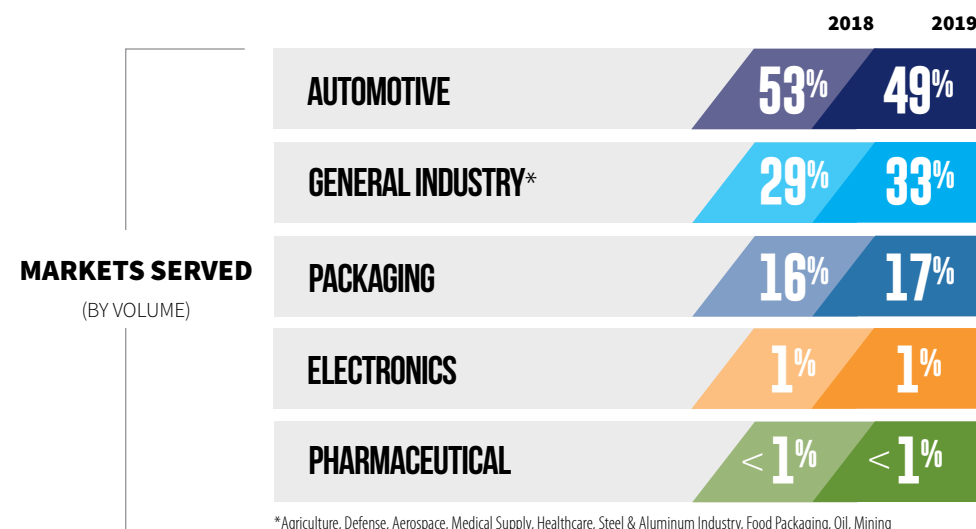


**Anderson Development Company is committed to providing value-added solutions through our intense focus on helping our customers succeed. Part of that focus is helping customers reduce their costs by finding solutions that make them more efficient, create less waste and be more sustainable.**

Anderson Development has worked on many projects with our customer, Omni Technologies, which involve using our urethane products to make parts to replace existing products made of materials like aluminum, plastic, or stainless steel. Omni was able to find sustainable solutions and used urethane molded products that completely replaced parts made of metal, or multi-piece parts that are now replaced with one molded urethane part. Each of these success stories of transitioning to a urethane part made the customer safer, more efficient and saved them money. Most importantly, it also led the customer to be more sustainable overall and reduce their carbon footprint. One of these success stories is highlighted to the right.

**LANE DIVERTER:**

Sliding abrasion from a poly film polished stainless steel components on a lane diverter. As a result, the film would stick in the seams of the metal parts which created harborages and jams. This issue required the diverter to be replaced every few months. We replaced it with ADC's 75D material and an anti-wear additive and the customer has not replaced them yet; that was in 2014. – Omni Technologies



**MARKETS SERVED**

Anderson Development is a global company with sales in various locations. North America accounts for 74% of our 2019 sales. We mainly serve the automotive and industrial markets (>90% of our business), as well as the electronics and pharmaceutical markets, among others.



## CORPORATE GOVERNANCE

**Strong corporate governance is an integral part of our core values and supports our sustainable growth mission. We are committed to having sound corporate governance principles and practices.**

### GOVERNANCE STRUCTURE

As a wholly owned subsidiary of Mitsui Chemicals America, a wholly owned subsidiary of Mitsui Chemicals, Inc., Tokyo, Anderson Development Company functions as an independent entity that is fully consolidated into the Coating and Engineered Materials Division, within the Food and Packaging Materials Division of Mitsui Chemicals. Anderson Development is registered in the US as a Michigan corporation.

Our company's governance processes are integrated with that of Mitsui Chemicals and board processes are designed to keep board members informed of significant economic, environmental, and social issues impacting the company.

As a wholly owned consolidated subsidiary, Anderson Development is subject to oversight and audit by staff functions from Mitsui Chemicals and Mitsui Chemicals America for all areas, including but not limited to Internal Controls (JSOX), Responsible Care® (Health, Safety, Security and Environmental) and Quality Management. These Mitsui Chemicals staff functions assist the Board of Directors in fulfilling its oversight responsibilities regarding all Sustainability related issues.

More information on Corporate Governance can be found in the Mitsui Chemicals Report 2019 (pg. 70, 72, 90) here:

[https://jp.mitsuichemicals.com/en/ir/library/ar/pdf/ar19\\_all\\_en.pdf#page=70](https://jp.mitsuichemicals.com/en/ir/library/ar/pdf/ar19_all_en.pdf#page=70)

**Anderson Development is governed by a board of directors comprised of:**

**Yasunori Nishiyama**

Chairman of the Board  
Anderson Development Company  
President of Mitsui Chemicals America

**Dr. Shinichi Nakagawa**

Mitsui Chemicals America  
Representing the Coatings and Engineered Materials Division  
and Mitsui Chemicals America

**Takefumi Suzuki**

Director Mitsui Chemicals  
Representing the Coatings and Engineered Materials Division

**Mark Kramer**

Anderson Development Company  
President and CEO

**Heather Hawley**

Anderson Development Company: CFO, Treasurer and Corporate Secretary

**The board of directors has only one committee, the Executive Committee, comprised of all the US based directors, which governs the routine operations of the company.**

**Yasunori Nishiyama**

Chairman of the Board of Anderson Development Company,  
President of Mitsui Chemicals America

**Mark Kramer**

Anderson Development Company  
President and CEO

**Dr. Shinichi Nakagawa**

Mitsui Chemicals America, Representing the Coatings and  
Engineered Materials Division and Mitsui Chemicals America

**Heather Hawley**

Anderson Development Company  
CFO, Treasurer and Corporate Secretary

## POLICIES AND CERTIFICATIONS

At Anderson Development, we are dedicated to continuously improving the safety and security of our manufacturing operations. We maintain our focus on emergency response, product stewardship, minimizing our environmental impact and supporting our community. We demonstrate this commitment by embedding responsible and sustainable practices into our procedures, and we align our operations and activities with the following:

- Responsible Care® Management System
- ISO 9001 Quality Management
- RC14001 Technical Specification
- ISO 14001 Environmental Management
- ICCA Global Responsible Care® Charter

We also adhere to the policies of our parent company, Mitsui Chemicals, in our daily operations. These policies can be found here:

[jp.mitsuichemicals.com/en/sustainability/index.htm](https://jp.mitsuichemicals.com/en/sustainability/index.htm)

## FINANCIAL INFORMATION

Anderson Development Company is 100% subsidiary of Mitsui Chemicals. The financial results of the Food and Packaging division of Mitsui Chemicals can be viewed in the 2018 Mitsui Chemicals report (pg. 119) and the 2019 Mitsui Chemicals report (pg. 126-127) here:

[https://jp.mitsuichemicals.com/en/ir/library/ar/pdf/ar18\\_all\\_en.pdf#page=121](https://jp.mitsuichemicals.com/en/ir/library/ar/pdf/ar18_all_en.pdf#page=121)

[https://jp.mitsuichemicals.com/en/ir/library/ar/pdf/ar19\\_all\\_en.pdf#page=128](https://jp.mitsuichemicals.com/en/ir/library/ar/pdf/ar19_all_en.pdf#page=128)



**Mitsui Chemicals**  
Group



## COMMITMENT TO SUSTAINABILITY

At Anderson Development Company we demonstrate our commitment to sustainability by balancing our responsibilities for social, environmental, and economic health. Our sustainability strategy guides our actions and our sustainability policy communicates our intentions to:

- Enhance the “Quality of Life” of our employees and our community
- Strive for an incident free workplace through the continual improvement of health, safety and security
- Ensure environmental preservation through careful consideration of the impacts of our activities, products and services
- Assure customer satisfaction
- Meet compliance obligations and other agreed upon commitments
- Support the Responsible Care® Guiding Principles

This policy describes our intentions and provides direction for conducting business.

To further demonstrate our commitment to improve our environmental, health, safety, and security performance Anderson Development has obtained registration to RC14001, an environmental, health, safety, and security management system standard. We have adopted ISO 9001 as our model for quality assurance and have obtained registration for the acrylic resin process, and we operate other processes in compliance with that standard.

## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

We recognize that the protection of our local and global communities is vital to the future of our company. We pledge to support the United Nations Sustainable Development Goals (SDGs) by contributing to goals and targets that are material to our organization, and where we can achieve the greatest impact. Our initiatives and actions illustrate our support of the following SDGs:

- SDG 3 – Good Health and Well Being
- SDG 4 – Quality Education
- SDG 10 – Reduced Inequalities
- SDG 12 – Responsible Consumption and Production

# Sustainability WEEK 2019

**At Anderson Development Company (ADC) we devote our efforts to being a sustainable company while continuing to improve processes, serve our customers, and invest in the community. In 2019, ADC held our very first Sustainability Week, which was a great success!**

The purpose of Sustainability Week was to engage not only our employees and visitors but local community members as well. Through the use of educational posters, social media platforms, and a company-wide interactive scavenger hunt, we were able to highlight our sustainability initiatives, goals for our 2020 sustainability agenda, along with displaying our contributions towards the United Nations Sustainable Development Goals. The week was a great success with participation from all areas of the company, as well as customers and suppliers.

The educational posters highlighted our wide range of products and how they are contributing to a more sustainable future. Each of our product lines contains different sustainability aspects. For example, Almathane® Bio-based PUD's that are produced from a Soybean Oil Derivative or use chemical intermediates that were derived from recycled plastic bottles; our Almatex® Acrylic Resins have a very low carbon footprint, and nearly 100% of product is used by end-user resulting in little to no waste; and our Andur® Polyurethane product line offer a low-free TDI option that reduces emissions and safety concerns from TDI vapors. Additionally, ADC has many partnerships within the community and schools with sustainability as part of that focus. ADC provides real-life experiences for community members and local students through student internships & co-ops and through events like Payback for Education Program, and the annual Household Hazardous Waste Day Event which directly impact different community groups.

**Sustainability Week 2019 was one way to communicate why sustainability is important to our company and how all stakeholders are impacted. ADC will continue to strive for excellence in developing a more sustainable future for our company, community, and world.**





# Together FOR SUSTAINABILITY

*At Anderson Development Company we recognize the importance of being a sustainable company and are dedicated to devoting our organization to efforts aimed at fulfilling this purpose.*

As part of our journey towards sustainability we recently participated in a “Together for Sustainability” (TfS) audit in an effort to learn how we can become more sustainable, as we work to strengthen our ability to serve our customers. For Anderson Development this wasn’t just about checking a box for our customers; it was an opportunity for our company to grow, and to demonstrate our commitment to being a sustainable company. Participating in the TfS audit taught us a few things and also validated that our efforts towards sustainability thus far have been successful and that we are doing great things.

TfS is an independent organization that was originally created by chemical companies with the goal of assessing, auditing and improving the sustainability practices within their global supply chains. After it was setup, TfS was “set free” from its founders, so that it can provide objective, independent insight into companies. The initiative is based on good practices and builds on established principles such as United Nations Global Compact (UNGC), Responsible Care Global Charter and more. In order to provide this insight, it audits and assesses its subjects, covering topics relevant to sustainability including environment, health and safety, human rights and labor relations.

In preparation for the audit we conducted a gap analysis, and while we did discover some gaps we were able to close many of these during the preparation phase, and of course we continue to put efforts towards others. While we fared very well on our TfS audit scoring a 190 out of 200 possible points, we do not plan to rest on our laurels. We realize we are not perfect and we continue to focus on areas where we can improve as a company, and we continue to evaluate ways in which we can become even more sustainable than we are today. We look forward to improving and implementing new practices that can have a positive environmental or social impact on our local and global communities and to continue on in our journey of sustainability.

*Act Responsibly. Think Sustainably*



## HIGHEST SCORE FOR SUSTAINABILITY

A proud moment for ADC was being awarded a Gold rating for its 2019 assessment by EcoVadis, an independent 3rd party organization which evaluates companies’ performance in 4 key categories; the Environment, Labor and Human Rights, Ethics, and Sustainable Procurement. The Gold Rating is the highest recognition given by the leading independent environmental, social and ethical performance scorecard for global supply chains. Additionally, this ranking puts ADC in the top 1% of the over 55,000 companies evaluated world-wide!

We are very proud of this rating, which recognizes all of the effort and commitment that ADC has made towards being a responsible corporate citizen, working in harmony with our community, our people and the planet. ADC is committed to working to the highest standards of corporate social responsibility by adhering to sustainable practices and offering products that can help our customers with their own sustainability initiatives.

## HEALTH AND SAFETY

Anderson Development strives for an accident and injury free work place by identifying and eliminating workplace hazards. Anderson Development provides employees with the equipment, procedures, and training necessary to reduce exposure to hazards. In addition, Anderson Development provides information to employees which is intended to help our people manage their own personal well-being.

Although our products provide many benefits to society, they must be managed in a responsible manner to prevent negative impacts to people and the

environment. Anderson Development is committed to promoting product safety and stewardship throughout the value chain. This includes all aspects ranging from sourcing raw materials to our customers using and disposing of our materials.

Anderson Development is strongly committed to preventing catastrophic accidents associated with the manufacturing of chemicals. To this end, we support a culture that promotes process safety. Proper design, operation, and maintenance of facilities are important aspects of process safety.

## ENVIRONMENTAL MANAGEMENT

Anderson Development aspires towards waste minimization and environmental preservation through sound operation of its manufacturing facility as well as through the development of new products and technologies.

## QUALITY

Anderson Development strives to be a customer focused organization that aspires to understand and meet our customers’ requirements. As a learning organization, to better serve the customer, to be more efficient, and to do things right the first time, Anderson Development is focused on continual improvement and embraces opportunities to learn and improve.

## SECURITY

Anderson Development cooperates with the appropriate governmental agencies, such as the Department of Homeland Security and local municipalities, to preserve the security of our community through the protection of the public, our employees, facilities, products, and information.

## MANAGEMENT SYSTEM

Anderson Development utilizes an integrated management system based on the concept of Plan, Do, Check, Act. We are committed to conforming to Quality and Responsible Care® Management System (QRCMS) requirements. We set and annually review goals and objectives to ensure continual improvement in our QRCMS and our sustainability policy and goals and targets to support our sustainability vision and mission. We promote a spirit of openness with our key interested parties, considering employee, public, and customer inputs. This policy is communicated to all persons working for and on behalf of the organization and is available to the public.



**STAKEHOLDERS**

We recognize the importance of all stakeholder groups whether these are internal stakeholders such as employees or external stakeholders such as suppliers and customers. Primary stakeholders we have identified are shown.



View our Stakeholder Engagement Matrix on our website  
[andersondevelopment.com/sustainability/Sustainability-2020](http://andersondevelopment.com/sustainability/Sustainability-2020)

**DETERMINING THE CONTENT OF OUR REPORT**

To determine those sustainability issues directly related to our operations and activities, we used a three-channel approach. Firstly, through our daily and frequent engagement with our key stakeholder groups, we were able to derive those issues that directly influence their relationship with Anderson Development, as well as those issues that are of high concern to them. Secondly, we considered the impact we have as a company in each area, through our operations and performance. Thirdly, we performed a benchmarking of sustainability reports of our sector to verify that all issues considered of high importance by the sector are included in the report.

View our Key Topics and Boundaries on our website:  
<http://www.andersondevelopment.com/sustainability/Sustainability-2020>

We have determined that the following topics are of high importance to us, and thus included in this report.





## OUR EMPLOYEES

Our employees are our most important asset in moving us forward. They take ownership in the success of the Company and each employee contributes a valuable set of skills and experiences. Every day they bring their passion, dedication, strength, and talent to contribute to the success of Anderson Development Company's mission, its safe operation, and sustainability. We strive to provide them with a friendly and pleasant working environment, a safe and positive working experience, proper rewards, and support and recognize their potential. We are an equal opportunity employer and we are committed to a culture of fairness and respect for everyone.

Our goal is to inspire our employees. We support career development and enhance the self-esteem of our employees through rewards and promotions. We encourage our employees to confront challenges and to further develop their abilities. Our belief is that consistent and relevant training is the key to succeed in our development goals. We strive to create a work environment where employees can develop and grow to achieve their full potential. Therefore, we have managed to build specific strategies for every department and reward plans for highly qualified employees; this starts on day one with their onboarding process and continues through their career with on the job training, career development, professional trainings, and educational support.

We are appreciative that our employees have chosen to work and stay working for Anderson Development Company. We have low employee turnover, noteworthy employee longevity, and a strong knowledge base at all levels of the Company. Our employees truly do make us better.

To view Anderson Development's Benefits, visit website: <https://andersondevelopment.com/careers/>

2018	2019
Total Company turnover rate <b>9.39%</b> Voluntary <b>9.10%</b> Involuntary <b>0.83%</b> Retirement <b>0%</b>	Total Company turnover rate <b>9.93%</b> Voluntary <b>5.97%</b> Involuntary <b>0.85%</b> Retirement <b>2.57%</b>
Average length of service <b>11.31 YEARS</b>	Average length of service <b>11.62 YEARS</b>
New hires by age group Age <30 = <b>11</b> Age 30-50 = <b>10</b> Age >50 = <b>1</b>	New hires by age group Age <30 = <b>7</b> Age 30-50 = <b>5</b> Age >50 = <b>1</b>
Total Number Hires <b>5</b> Females <b>17</b> Males	Total Number Hires <b>2</b> Females <b>11</b> Males

	2018	2019
<b>TOTAL EMPLOYEES</b>	125	124
PERMANENT	103	103
	22	21
TEMPORARY	2	1
	0	0
FULL TIME	101	100
	20	18

	2018	2019
PART TIME	2	3
	2	3
CONTRACTOR	1	0
	0	0
SELF EMPLOYED	3	1
	0	0
SENIOR MANAGEMENT	5	4
	2	2

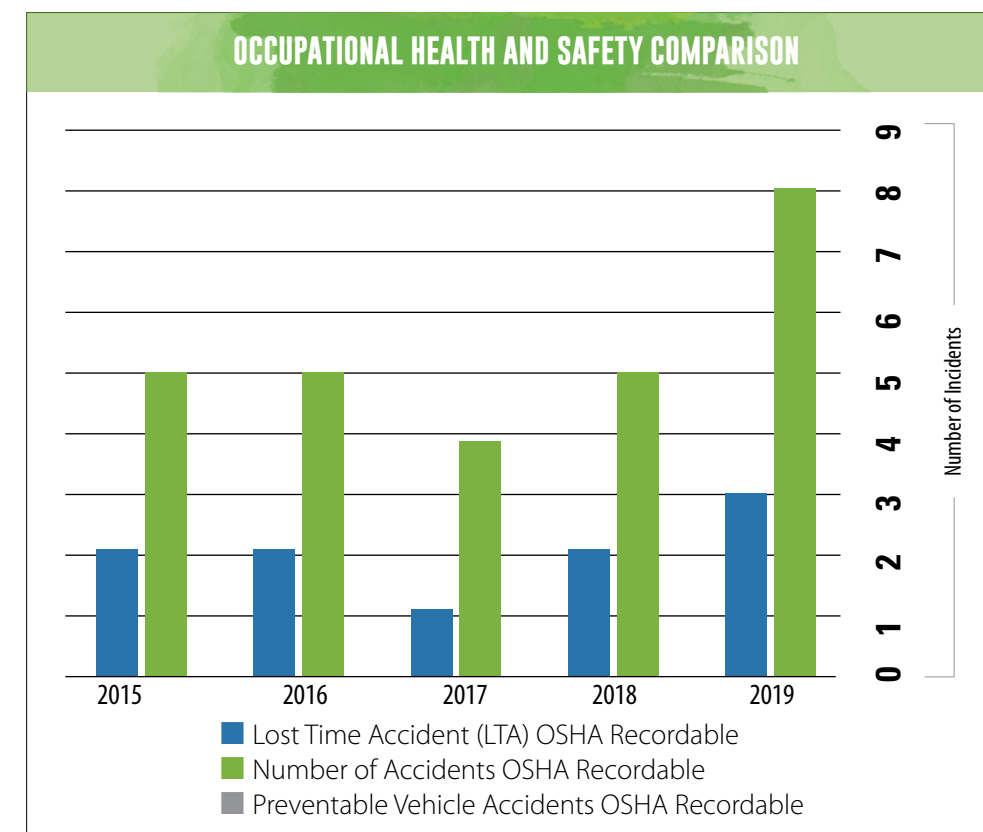
## EMPLOYEE HEALTH AND SAFETY

Ensuring the health and safety of our employees and our community is our most important task at Anderson Development. We are committed to providing a safe working environment for our employees and to the protection of our community by ensuring the safe use and security of chemicals at our facility. Although, the products we manufacture provide many benefits to society they must be responsibly managed to prevent negative impacts to people and to the environment.

We continuously strive for an accident and injury free work place, and make every effort to identify and eliminate workplace hazards. Our employees play an important role in ensuring safety in our manufacturing operations. We employ highly trained professionals and make certain that our training programs are effective, and provide our employees with the equipment and procedures necessary to reduce exposure to hazards. Proper design, operation, and maintenance of our facility are important aspects of process safety. Our employees are actively involved in all elements of our process safety management systems including planned preventative maintenance, process hazard analysis,

pre-startup safety review, and management of change. Employees also periodically participate in job safety analysis (JSA) reviews to identify and assess work place hazards. We maintain an active Safety Committee, which meets to openly review, discuss, and improve our overall employee health and safety performance, and all employees participate in our Near Miss Reporting program to promote awareness and prevent future incidents.

We endeavor to maintain a climate in our company that is safety focused, and are committed to the continuous improvement of our safety culture. In 2019, we undertook the development of a behavioral safety standard. A framework was developed to understand and reinforce the behaviors that foster a strong safety culture. Our goal is to make sure that all employees understand and exhibit the behaviors that will support and strengthen our safety culture.



These metrics represent all employees at ADC including contractors

# HIDDEN ASSETS

## Nicole Kulwicki

ENVIRONMENTAL MANAGER

- Adrian, MI -



**What is a positive experience or change you have seen at ADC:** I am excited about the work we are doing related to the implementation of our Behavioral Based Safety Standard. I think it has the potential to have a large, positive impact in our organization.

**What is your view/opinion of our sustainability efforts at ADC?** ADC has done a great job of stressing the importance of sustainability at all levels of the company. We aren't just talking the talk either; we are dedicating the resources we need to continually improve upon our sustainability performance.

## Robert Czeiszperger

SENIOR PRINCIPAL CHEMIST

- Adrian, MI -



**What is a positive experience or change you have seen at ADC:** Over the years I have seen several positive changes. We have really stepped up our level of commitment to safety and also to teamwork.

**What is your view/opinion of our sustainability efforts at ADC?** Our commitment to sustainability is apparent. I think we have always been sustainable, but we are better at recognizing those efforts now and finding new ways to be more sustainable in all aspects of the company

## Marianne Knippschild-Monstadt

DIRECTOR, BUSINESS DEVELOPMENT EUROPE

- Germany -



**What is a positive experience or change you have seen at ADC:** ADC is a great company to work with. We have a highly motivated team. Positive examples of our ability to cope with external requirements include the reduction of residual monomer in our Almatex® Acrylic Resins, and our expansion of Almatex® production in Japan to support our international accounts and to become more sustainable.

**What is your view/opinion of our sustainability efforts at ADC?** At ADC, we do a great job of continuously working on our health, safety and security targets. We start by examining broader targets and then refine our targets to drive results. Additionally, serving our customers with the highest product quality, excellent customer service and new product development is key to our customer satisfaction.

## Hershel Erwin

DIRECTOR OF OPERATIONS

- Adrian, MI -



**What is a positive experience or change you have seen at ADC:** ADC's focus on safety improvements has been striking. Safety has always been very important at ADC, but ADC has added many new resources and methods allowing us to dig deeper into our process and products to make sure we are as safe as we can be. This includes the company's Mechanical Integrity and Root Cause Analysis programs both of which have seen great improvements.

**What is your view/opinion of our sustainability efforts at ADC?** ADC takes sustainability seriously. The team at ADC has done a very good job at explaining what sustainability means and how ADC can continue to become a more sustainable company. Everyone at ADC is included in our efforts to create a better and more sustainable company; we have seen participation at all levels of the organization.

## Allison Thomas

R&D CHEMIST-ACRYLIC RESINS

- Adrian, MI -



**What is a positive experience or change you have seen at ADC:** ADC has always been concerned about the safety of their employees. The company continuously provides training and updates PPE to ensure everyone is working safely.

**What is your view/opinion of our sustainability efforts at ADC?** ADC puts a lot of time and effort in sustainability regarding the company as a whole. While ADC has provided reusable drinking cups and coffee mugs for their employees, in the future, I'd like to see more environmental practices targeted to employees like adding recycling bins to break rooms and encouraging less use of single-use foam/paper cups by employees.

## Jeremy Koelbel

PLANT OPERATOR

- Adrian, MI -



**What is a positive experience or change you have seen at ADC:** ADC has done a very good job of getting everyone they can involved in our safety program. Everyone does their part to keep each other safe every day.

**What is your view/opinion of our sustainability efforts at ADC?** Since joining the company four years ago, I believe ADC has improved sustainability efforts significantly and continues to improve with every opportunity they can.

## Sandy McLaughlin

CUSTOMER SERVICE LEAD

- Adrian, MI -



**What is a positive experience or change you have seen at ADC:** I love seeing ADC supporting the youth in the community. Events such as iChallengeU and Payback for Education allow employees in all areas of the company to engage with students. It shows the desire our employees have to teach local youth about what we do and STEM careers.

**What is your view/opinion of our sustainability efforts at ADC?** ADC is doing a great job in developing more sustainable materials, therefore reducing our footprint and helping our customers to be more sustainable as well.

## Ruiling He

BUSINESS DEVELOPMENT

MANAGER-ASIA

- Shanghai, China -



**What is a positive experience or change you have seen at ADC:** At the request of a customer in China our production plant in Japan participated in a sustainability audit. The audit gave us the opportunity to make improvements to our sustainability practices.

**What is your view/opinion of our sustainability efforts at ADC?** Our efforts towards sustainability help us to reduce our impact on the environment, and benefits our customers. We have better aligned our sustainability vision with our valued customers and have received positive feedback.

## Szuping Lu

SR. SCIENTISTS ACRYLICS

GLOBAL R&D/TECH SUPPORT

- Adrian, MI -



**What is a positive experience or change you have seen at ADC:** Over the years I have seen the number of employees responsible for Environmental, Health, Safety & Security/Responsible Care at ADC increase from 1 person to 5, allowing our company to devote more resources on waste reduction programs, lowering our carbon footprint, and continuously improving process and employee safety.

**What is your view/opinion of our sustainability efforts at ADC?** ADC has made a lot of progress in reducing waste from processes, and recycling the solvent used in our manufacturing process. ADC also continues to develop new products using either renewable or recycled raw materials.



## PRODUCT RESPONSIBILITY

Anderson Development is committed to promoting the safe handling and use of chemicals, and our goal is to ensure that important health, safety and environmental information is communicated throughout our supply chain. We are committed to reducing the risks associated with the delivery of our chemical products and we manage our distribution system to minimize the potential for issues that could occur. We meet all requirements of governmental agencies, such as the Department of Transportation, the Department of Homeland Security, OSHA, and our Responsible Care® commitments.



Act Responsibly. Think Sustainably

## PRODUCT STEWARDSHIP

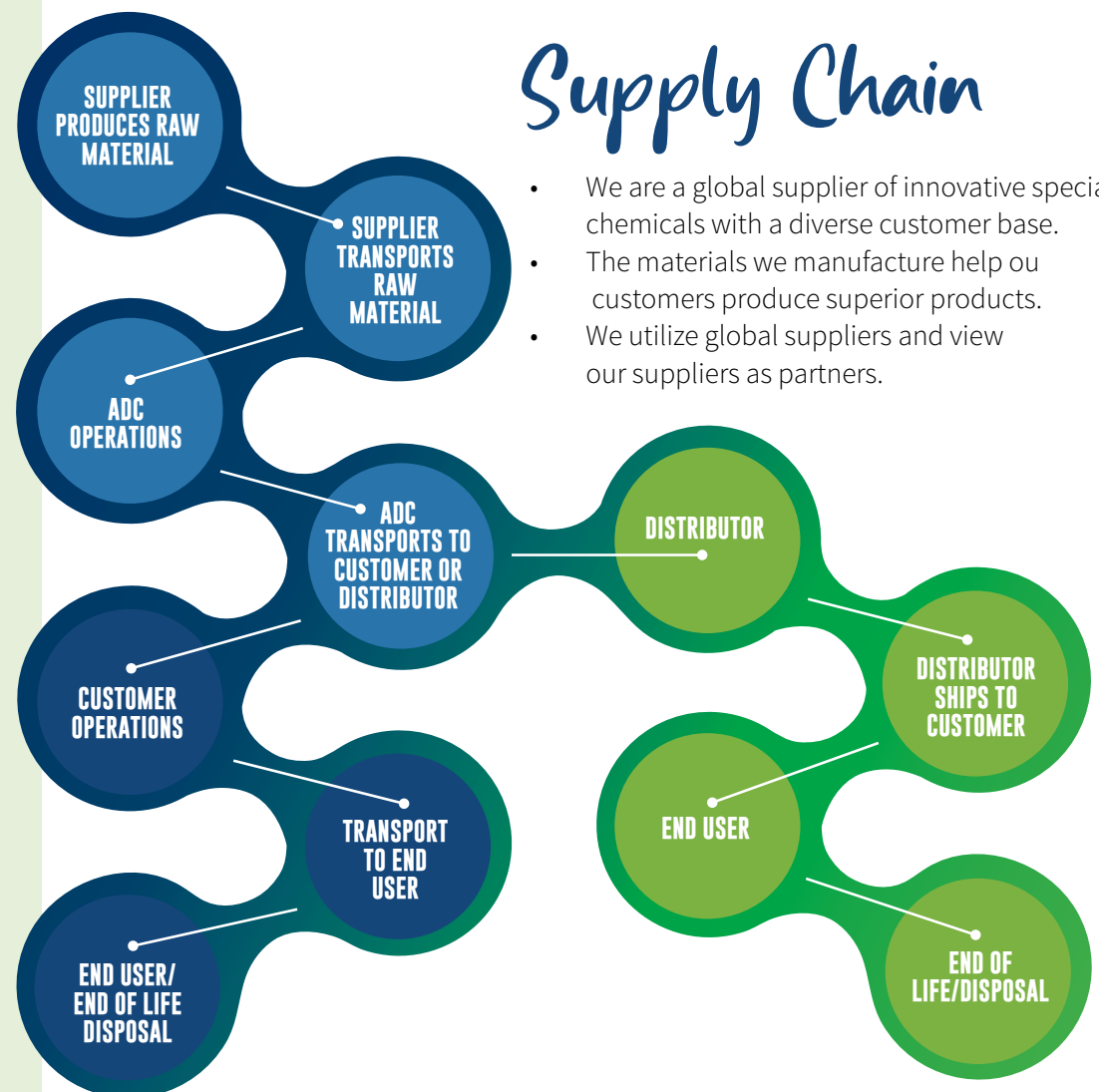
Anderson Development fosters the sharing of information about the proper use, storage, and disposal of products with our stakeholders, including customers, suppliers, distributors, and contractors.

We provide cradle to grave assistance from developing products, using those products, and finally to recycling, reusing, or disposing of them.

Appropriate actions and communication media vary depending on the circumstances and are commensurate with any potential product risk. Typical product stewardship activities include safety data sheets & labels, training programs, and site visits.

## GHS IMPLEMENTATION

In 2012, OSHA published the new Hazard Communication Standard (HCS) 2012 (29 CFR 1900.1200) that is aligned with the Globally Harmonized System of Classification and Labeling of Chemicals (GHS). As with the old standard, HCS 2012 does not apply to consumer products. Anderson Development, as a chemical manufacturer, is compliant with the requirements of HCS 2012.



- We are a global supplier of innovative specialty chemicals with a diverse customer base.
- The materials we manufacture help our customers produce superior products.
- We utilize global suppliers and view our suppliers as partners.

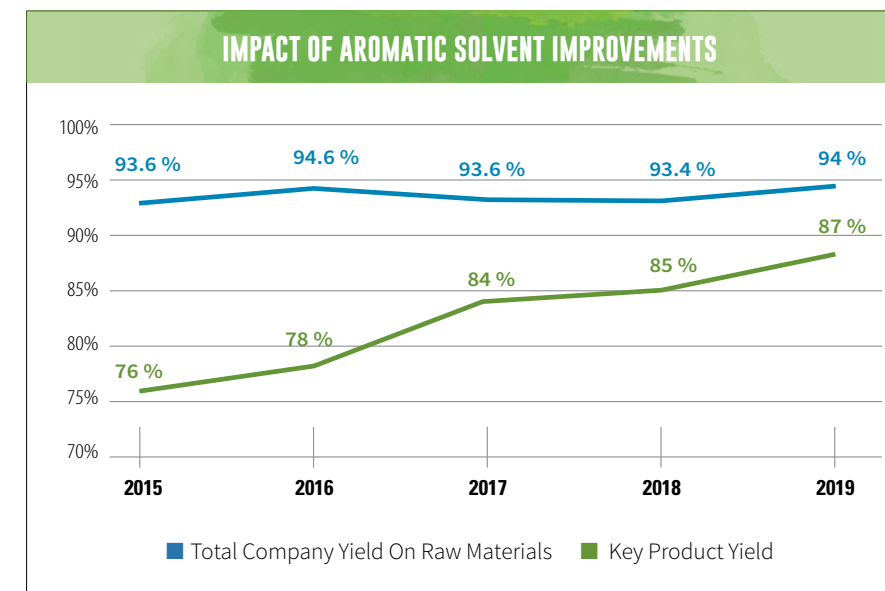
## ENVIRONMENT

We aim to reduce our environmental impact by focusing on material recovery and reuse, the collection of hazardous household waste, understanding and reducing our carbon footprint, and managing our waste, water, and emissions. We subscribe to the principles of Responsible Care® and utilize the Responsible Care® management system to continually improve our environmental performance.

### ENVIRONMENTAL INITIATIVES

**Solvent Recovery and Reuse** – In 2017, Anderson Development launched an aromatic solvent recovery and recycling initiative. The project required a significant capital investment and resulted in a significant reduction of raw material use, solvent purchases and GHG emissions. The GHG reductions reported are a result of the reduced transportation requirements previously required to both purchase virgin solvent and the shipping of the processed solvent off site. An unintentional positive impact not identified initially is the risk of transportation incidents may be reduced via this initiative as well. The following data demonstrate the reductions

- obtained since the solvent recovery system began operating full time (Qtr. 4 2017).
- 82% reduction in key product solvent usage since 2015.
- Eliminated the need for approximately 63 shipments of raw material solvent and virtually eliminated the need to ship resale solvent from our key product line since 2015, which contributes to a reduction in mobile source greenhouse gas emissions generation.
- Reduced our key product carbon footprint by 1%.
- Site wide raw material yields have improved by 11% since 2015 (see table)
- Key product yield has improved since the launch of this initiative



## WATER

At Anderson Development our main water source is purchased water as we do not currently use any water which we collected from surface water, seawater, directly collected rainwater, or groundwater. It is our goal to constantly improve our water consumption efficiency. In 2018, we consumed 8.93 million gallons of purchased water, and in 2019, we consumed 7.2 million gallons of purchased water.

Although we currently do not have the capabilities to track the quantity of wastewater generated from each source within our processes, we do track the total amount of wastewater generated site wide. In the 2018 Fiscal Year, Anderson Development initiated a study to determine how to quantify the amount of wastewater generated from the different sources. During the study, it was determined where meters should be installed within the system to quantify the amount of wastewater generated from the different sources within the facility. The next step of the process will be to install meters, collect usage data and analyze the data to determine how we can make the largest positive impact in our water consumption efficiency.

We acknowledge the benefits of recycling and reuse to society and for the preservation of natural resources. Wastewater generated at Anderson Development is sent offsite to a regulated, permitted facility for treatment, and subsequently discharged to a waterbody once acceptable discharge limits have been met. The process allows water to return to the natural water cycle rather than being sent for disposal.

## HOUSEHOLD HAZARDOUS WASTE COLLECTION

To assist our local community with responsibly managing the hazardous materials that are generated in the community's homes, Anderson Development, Wacker Chemical Corporation, and the Stubnitz Environmental Education Center hold annual joint collection events. These events are immensely important for our community as they assist in the removal of, and proper disposal of household hazardous chemicals from homes thereby reducing the potential for accidental exposures. These events are always a great success, and have strong local business and community support.

### Hazardous Waste Collection Day

**MAY 12, 2018**  
**550** Cars processed  
**45,008 lbs.**  
 (22.5 tons)  
 Estimated total chemical disposed

**MAY 18, 2019**  
**573** Cars processed  
**53,461 lbs.**  
 (26.7305 tons)  
 of waste collected

Estimated total disposed - entire 22 year period:  
**635,247 lbs.** (317.6 tons)

**77%** of visitors responded that ADC does a great job in relation to Responsible Care® and community support

## ENERGY AND EMISSIONS

The following information presents our energy performance for 2018 and 2019, including our Scope 1 emissions and our Scope 2 emissions.

**Our direct greenhouse gas emissions (Scope 1), which resulted from the consumption of natural gas and diesel fuel, were:**

- 2019** 5906.92 tons of CO2eq (100 MMcf of natural gas consumed) 1.037 tons of CO2eq (102 US Gallons of diesel consumed)
- 2018** 6015.838 tons of CO2eq (102 MMcf of natural gas consumed) 0.976 tons of CO2eq (96 US Gallons of diesel consumed)

**Our indirect greenhouse gas emissions (Scope 2), which resulted from the consumption of electricity were:**

- 2019** 5838.32 tons of CO2eq (9,742.2 MWH of electricity consumed)
- 2018** 5818.49 tons of CO2eq (9,709.1 MWH of electricity consumed)

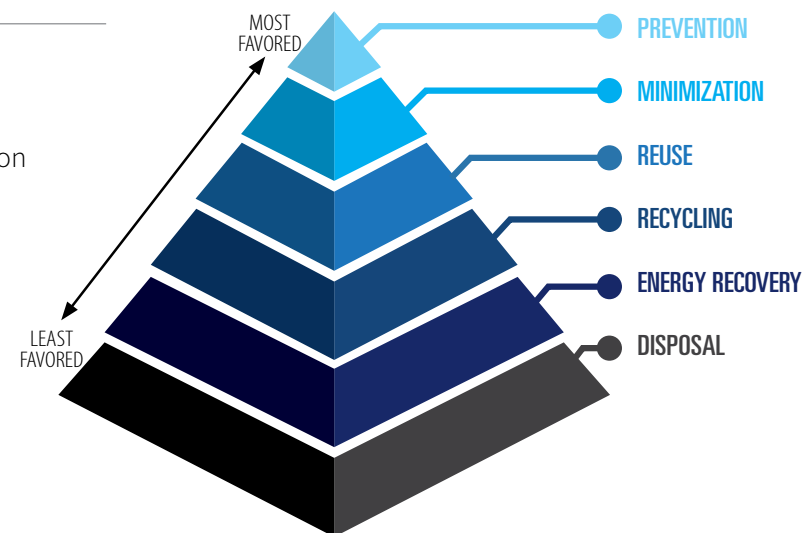
**Thus our total greenhouse gas emissions were:**

- 2019** 11,746.277 tons of CO2eq
- 2018** 11,835.304 tons of CO2eq

For the calculation for our Scope 1 emissions, we used the GHG Protocol Emission Factors from Cross-Sector Tools GHG Emissions from Stationary Combustion and for the calculation of our Scope 2 emissions we used the emission factors from the United States Environmental Protection Agency for Greenhouse Gas Inventories (March 26, 2020). Usage is calculated directly from utility statements and standard conversions were used. ADC has operational control of reported emissions.

## WASTE MANAGEMENT

Anderson Development follows the waste minimization requirements outlined in the Resource Recovery and Conservation Act and the company's Pollution Prevention Act policy to prevent pollution at its source and recycle or dispose of waste in a compliant, environmentally friendly manner. Anderson Development's waste minimization



methods include equipment or technology modifications, process or procedure modifications, reformulation or redesign of products, substitution of raw materials, reuse of raw materials within the process, and improvements in housekeeping, maintenance, training, and inventory control. When the generation of waste cannot be prevented, Anderson Development follows the sustainable material management - waste management hierarchy illustrated on the previous page.

We recycle paper, cardboard and metal generated onsite in lieu of landfilling these waste streams. In addition, raw material drums are sent out for reclamation and reuse instead of disposal. Pallets are reused onsite. There is only one waste stream generated onsite, which is sent to landfill for disposal. This waste stream represents less than 3% of all waste generated. Anderson Development will continue to track sustainable material management progress to quantify materials that fall into the bottom four categories of the waste hierarchy and take action, as appropriate.

## NON-HAZARDOUS WASTE

Our non-hazardous wastes (liquid and solid waste) are managed through a variety of technologies, which include offsite treatment and discharge for water, incineration, and recycling. Our goal is to send as little waste as possible to landfills. The only waste stream sent to landfill for disposal is the waste generated from onsite construction projects. The following data represents the non-hazardous waste streams sent offsite and the technologies used to treat and/or dispose of these in 2018 and 2019:

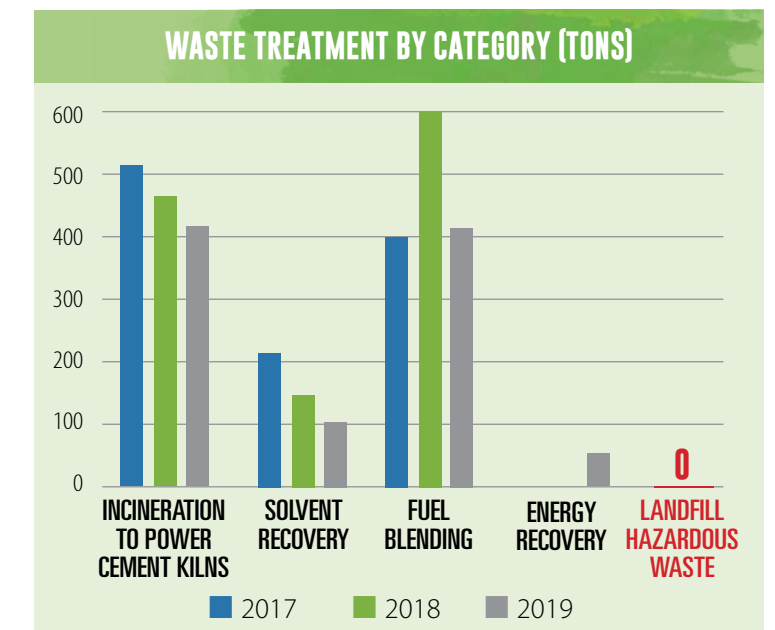
- 2018** - 1,002,977 gallons of water sent offsite for treatment and discharge under the disposal facility's National Pollutant Discharge Elimination permit
- 207.1 tons of non-hazardous process waste sent offsite for incineration
- 248 gallons of parts washer solution sent offsite for recycling
- 775 lbs. of paper sent offsite for recycling
- 189 tons of construction debris sent offsite for landfill

- 2019**
- 1,004,912 gallons of water sent offsite for treatment and discharge under the disposal facility's National Pollutant Discharge Elimination permit
- 176.6 tons of non-hazardous process waste sent offsite for incineration
- 148 gallons of parts washer solution sent offsite for recycling
- 3,207 lbs. of paper sent offsite for recycling
- 115.2 tons of construction debris sent offsite for landfill

## HAZARDOUS WASTE

When possible, in order to eliminate the use of landfills for hazardous waste disposal, we manage our unusable or non-recyclable hazardous wastes by sending them offsite for incineration to help power cement kilns, for solvent recovery and for fuel blending. When hazardous waste disposal is necessary we use licensed hazardous waste contractors and all waste is tracked via a waste manifest. We only employ contractors whose compliance practices have been reviewed and who demonstrates that they can fulfill their compliance obligations.

The chart below illustrates the quantities of hazardous waste treated by category:





# SUSTAINABILITY



VISION AND MISSION

Anderson Development has established purposeful sustainability targets for 2020. We have designed our sustainability strategy to foster our goals as we journey toward a more sustainable future. This strategy will guide our actions to develop our workforce, our marketplace, and protect our planet. We will create a more sustainable business environment by communicating our sustainability expectations with our business partners. We will further support those United Nations Sustainable Development Goals (UN SDGs) material to our organization. We will aspire towards an accident and incident free workplace. We will continue our efforts to improve the quality of life of our employees and community.

TOPIC	2020 GOALS	2018 PROGRESS	2019 PROGRESS
<b>SUSTAINABILITY</b>	Educate all of our employees on sustainability to foster in them the desire to support our goals and strategy and to inspire them to actively participate in our initiatives and to identify future initiatives material to our organization.	100% of our employees have been educated in sustainability through newly developed corporate communications and company-wide training. All employees are encouraged to participate via our newly formed sustainability committee and initiatives.  Results of a biannual employee engagement survey conducted in 2018 revealed that 99% of respondents recognize Anderson Development as a socially and environmentally responsible company.	100% of our employees have been educated in sustainability through newly developed corporate communications and company-wide training. All employees are encouraged to participate via our newly formed sustainability committee and initiatives.
<b>HUMAN AND WORKPLACE RIGHTS</b>	Committed to enhancing our employee's quality of life through continual improvement of and investment in employee engagement, training & development, and health and wellness initiatives.	Developing methods to evaluate training effectiveness and formally introduced training and development plans.  Introduced quarterly company sponsored health and wellness events.  Successful completion of a Together for Sustainability Audit scoring 190 of 200 points.  Results of a biannual employee engagement survey conducted in 2018 revealed that 85% of respondents feel that diversity and inclusion is valued at Anderson Development (12% higher than the U.S. on average).	Continue developing methods to evaluate training effectiveness.  In 2019 revamped performance appraisal program to emphasize employee training and development.  Continue to provide quarterly company sponsored health and wellness events based on employee feedback and encourage employee participation.
<b>GIVING BACK</b>	Invest in educational outreach and assistance to foster interest in chemistry to support our future workforce and contribute specifically to the UN SDGs (Quality Education and Reduced Inequalities) in ways which are most material to Anderson Development, have the most impact in or local community, and align with our mission.	Continued to monitor participation in the educational outreach programs we provide to our community, and developed a survey to measure the success of these activities and to identify ways to improve and to increase participation.  >5,400 educational contact hours or > 2% of total company hours.	Utilized survey to evaluate and improve our educational outreach.  5,400 educational contact hours or > 2% of total company hours.

TOPIC	2020 GOALS	2018 PROGRESS	2019 PROGRESS
<b>EMPLOYEE SAFETY</b>	Protect the health and welfare of our employees and community through the development of world-class, safe operating performance. Engage all ADC employees to work towards an injury and accident free workplace through safe operating systems, behaviors and conditions.	Increased education, communication and participation in our safety initiatives to improve our occupational and process safety performance.  • 96.7% of employees participated in our monthly safety meetings. • 30% of employees were active members of a safety committee or team. • 54% of employees contributed to the near miss program.  Refocused efforts towards incident investigation including root cause analysis including human factors.  Results of a biannual employee engagement survey conducted in 2018 revealed that 93% of respondents believe that employee safety is very important to Anderson Development (6% higher than the U.S. on average).  Continued to identify opportunities to interact with, and to provide monetary support to local emergency responders.	Continued to promote initiatives to improve our occupational and process safety performance.  • 96.7 % of employees participated in our monthly safety meetings. • 30% of employees were active members of a safety committee or team. • 68% of employees contributed to the near miss program.  Developed a behavioral safety standard framework to define critical behaviors and specify tools needed to understand and reinforce those behaviors to foster a strong safety culture.  Continued to promote interaction with and support of our local emergency responders.
<b>CLIMATE PROTECTION</b>	We will continue to reduce our impact on the environment, and will develop a set of initiatives to ensure our success	Increased our knowledge of life cycle assessment and established the carbon footprint of our largest product line.  Continued optimization and monitoring of our aromatic solvent recovery/recycling initiative.  51% reduction in key solvent purchases since 2017.  Began rationalization of utility usage and waste generation to identify opportunities to reduce our operational footprint.	Continued optimization and monitoring of our aromatic solvent recovery/recycling initiative.  82% reduction in key solvent purchases since 2015.  Continue rationalization of utility usage and waste generation to identify opportunities to reduce our operational footprint.
<b>SUSTAINABLE SOLUTIONS</b>	Actively develop and promote products that support the UN SDGs (Good Health and Wellbeing and Responsible Consumption and Production).	84% of research and development allocated toward products which contribute to reduced environmental impacts or focused on enhancing product safety.	In 2019 >88% research and development allocated towards sustainable solutions.
<b>ENVIRONMENT, HEALTH, AND SAFETY</b>	Continue the development of world-class Safety and Environmental management systems by upgrading Anderson Development to the RC14001*2015	Transitioned our management system to RC14001*2015	• Awarded a Gold rating for 2019 assessment by EcoVadis. • Participated in a "Together for Sustainability" (TFS) audit scoring a 190 out of 200 possible points.)
<b>SUSTAINABLE MARKETPLACE</b>	In support of ADC's 2020 Sustainability Targets, we will continue to improve customer satisfaction and to improve the sustainability of our supply chain, ensuring all critical suppliers are aligned with our vision of sustainability.	64% of our customers responded to our customer satisfaction survey and the feedback was overall positive.  Validated that 90% of our material supply base are in alignment with our sustainability expectations and focused efforts to validate our remaining supply base.	63% of our customers responded to our customer satisfaction survey and the feedback was overall positive.  Working to validate that our remaining suppliers align with our sustainability expectations.

## GRI INDEX

The current Sustainability Report for Anderson Development Company communicates its sustainability performance. The report covers our activities during 2018-2019. This report is aligned with the GRI Standards at the Core level.

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S)/REFERENCE
<b>GRI 102: GENERAL DISCLOSURES 2016</b>		
<b>ORGANIZATIONAL PROFILE</b>		
GRI 102-1	Name of the organization	Anderson Development Company
GRI 102-2	Activities, brands, products, and services	7, 10-11
GRI 102-3	Location of headquarters	1415 E. Michigan St., Adrian, MI 49221
GRI 102-4	Location of operations	7
GRI 102-5	Ownership and legal form	7, 12-13
GRI 102-6	Markets served	7, 10-11
GRI 102-7	Scale of the organization	7, 11, 13, 20
GRI 102-8	Information on employees and other workers	20
GRI 102-9	Supply chain	24
GRI 102-10	Significant changes to the organization and its supply chain	During this period there were no significant changes to the supply chain
GRI 102-11	Precautionary principle or approach	8, 14, 24, 28
GRI 102-12	External initiatives	8, 13, 14
GRI 102-13	Membership of associations	4-5, 9
<b>STRATEGY</b>		
GRI 102-14	Statement from senior decision-maker	3
<b>ETHICS AND INTEGRITY</b>		
GRI 102-16	Values, principles, standards, and norms of behavior	8, 13, 28
<b>GOVERNANCE</b>		
GRI 102-18	Governance structure	12, 21, 28
<b>STAKEHOLDER ENGAGEMENT</b>		
GRI 102-40	List of stakeholder groups	18
GRI 102-41	Collective bargaining agreements	There are no collective bargaining agreements at Anderson Development Company
GRI 102-42	Identifying and selecting stakeholders	18
GRI 102-43	Approach to stakeholder engagement	19
GRI 102-44	Key topics and concerns raised	18
<b>REPORTING PRACTICE</b>		
GRI 102-45	Entities included in the consolidated financial statements	13
GRI 102-46	Defining report content and topic boundaries	19
GRI 102-47	List of material topics	19
GRI 102-48	Restatements of information	There are no restatements of information from our previous reports
GRI 102-49	Changes in reporting	There are no significant changes at ADC during this reporting period
GRI 102-50	Reporting period	January 1, 2018 – December 31, 2019
GRI 102-51	Date of most recent report	7/17/2018
GRI 102-52	Reporting cycle	Biennial
GRI 102-53	Contact point for questions regarding the report	Sustainability Committee - Product Stewardship Department 1415 E. Michigan Ave. Adrian, MI 49221 csr@anddev.com

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S)/REFERENCE
<b>REPORTING PRACTICE CONTINUED . . .</b>		
GRI 102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option
GRI 102-55	GRI content index	30-31 / There were no omissions from the disclosures for this reporting period
GRI 102-56	External assurance	KERAMIDA, an independent third party, was engaged by Anderson Development Company ('ADC') to provide limited assurance of our 2019 Sustainability report to the GRI Standards. They issued an Independent Limited Assurance Report in connection with the Assurance of the Sustainability Report of Anderson Development Company ('ADC') to the GRI Standards and the statement can be found here: <a href="https://www.andersondevelopment.com/sustainability/Sustainability-2020">https://www.andersondevelopment.com/sustainability/Sustainability-2020</a>
<b>TOPIC SPECIFIC DISCLOSURES</b>		
<b>ECONOMY</b>		
GRI 201	<b>ECONOMIC PERFORMANCE 2016</b>	
GRI 103	<b>Management Approach Disclosures</b>	7, 12-13
GRI 201-1	Direct economic value generated and distributed	13
<b>ENVIRONMENT</b>		
GRI 302	<b>ENERGY 2016</b>	
GRI 103	<b>Management Approach Disclosures</b>	8, 14, 17, 25-26, 28
GRI 302-1	Energy consumption within the organization	26
GRI 303	<b>WATER 2016</b>	
GRI 103	<b>Management Approach Disclosures</b>	8, 14, 17, 25, 28
GRI 303-1	Water withdrawal by source	25
GRI 305	<b>EMISSIONS 2016</b>	
GRI 103	<b>Management Approach Disclosures</b>	8, 14, 17, 25-26, 28
GRI 305-1	Direct (Scope 1) GHG emissions	26
GRI 305-2	Energy indirect (Scope 2) GHG emissions	26
GRI 306	<b>EFFLUENTS AND WASTE 2016</b>	
GRI 103	<b>Management Approach Disclosures</b>	8, 14, 17, 25-28
GRI 306-2	Waste by type and disposal method	27
<b>EMPLOYEES - SOCIETY</b>		
GRI 401	<b>EMPLOYMENT 2016</b>	
GRI 103	<b>Management Approach Disclosures</b>	17, 20, 22-23
GRI 401-1	New employee hires and employee turnover	20
GRI 401-2	Benefits provided to full time employees	20
GRI 403	<b>OCCUPATIONAL HEALTH &amp; SAFETY 2016</b>	
GRI 103	<b>Management Approach Disclosures</b>	14, 17, 21
GRI 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	14, 21





*Act Responsibly, Think Sustainably*



**A n d e r s o n**  
DEVELOPMENT COMPANY