



# Sustainability Report

20

*The* **POWER** of **PURITY**<sup>TM</sup>

23

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## From Our President & CEO

# David Burks

2024 marks our 60th anniversary and after six decades of business, we still hold the same values. Back then, we may not have published a formal mission statement or outlined our principles in great detail, but they were there and continue to be part of who we are and how we do business. We hold a deep sense of duty to our employees, customers, the public, and the planet.

What follows is our sustainability report for the 2023 fiscal year and it is a source of pride for me as it reflects how deeply our team values sustainability as a Core Value. Last year we published our first Sustainability Report and made a commitment to annually publicize key metrics. However, we did not commit to a limited set of data points. Instead, we understood the report

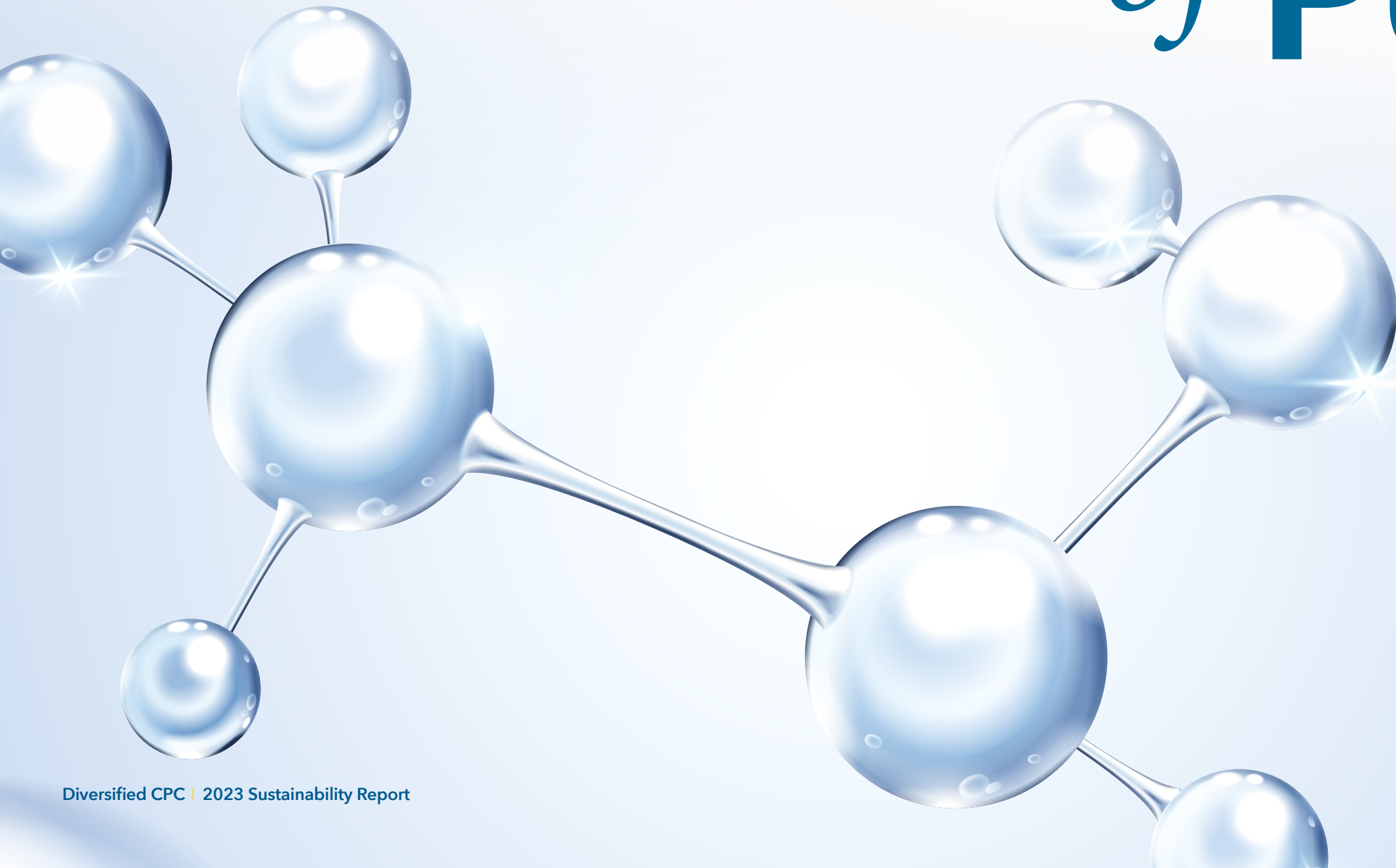
would need to steadily extend its reach to embrace a broader picture of our impact on sustainability. As such, our second report includes Scope 3 emissions and serves as the base year for measuring CO2 emissions from employee commuting.

Among our year-over-year highlights, we improved our overall Management of Environmental Safety and Health (MESH) score by 19.5% and our critical scores by 42.6%. In doing so, we exceeded our targeted improvements which were 10% and 20% respectively. In our baseline year we set expectations and in our second year of reporting, we're already exceeding them.

Thank you for taking the time to learn about our sustainability journey, which has only just begun. **We are excited to share this report and look forward to the next 60 years.**

**Among our year-over-year highlights, we improved our overall Management of Environmental Safety and Health (MESH) score by 19.5% and our critical scores by 42.6%. In doing so, we exceeded our targeted improvements which were 10% and 20% respectively.**

Leveraging *The* **POWER**  
*of* **PURITY™**



# About Us

**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.

**98**  
employees

**8**  
countries served

**6**  
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, allowing us to tailor our solutions to increase our results.



## 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 bottomline profitable growth for our shareholders.

# Our Stakeholders

At Diversified CPC, we think of our stakeholders as a **collective** 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



## 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.



## PURPOSE

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



## VISION

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.

We invite you to explore  
**The Power of Purity™** as we  
take this opportunity to share  
our Sustainability Report.



Our Sustainability Executive Team promotes sustainability measures that are implemented company wide.

# Sustainability Policy

**At Diversified CPC, we continue to leverage 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 Sustainability Executive Team promotes sustainability measures that are implemented company wide. The Corporate Sustainability Committee acts as an advisory body to the Sustainability Executive Team and discusses policies, measures, and initiatives. Important initiatives are referred by the committee to the Sustainability 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 topics.

# Pillars & Metrics

We are committed to a cycle of continuous measurement, management, and improvement in all aspects of the sustainability 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 11 for the materiality assessment, which outlines the sources from which these topics were selected.

## Environmental Quality

- Waste, Hazardous Substances & Chemical Safety Management
- Enhanced Producer Responsibility Laws
- Air Quality & Emissions
- Energy Consumption & Greenhouse Gas Emissions
- Conservation, Biodiversity & Resource Use

## Social Responsibility

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

## Corporate Governance

- Business Ethics
- Management of Regulatory & Legal Compliance
- Product Design & Life Cycle Management
- Critical Incident Management
- Supplier 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 the 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 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.

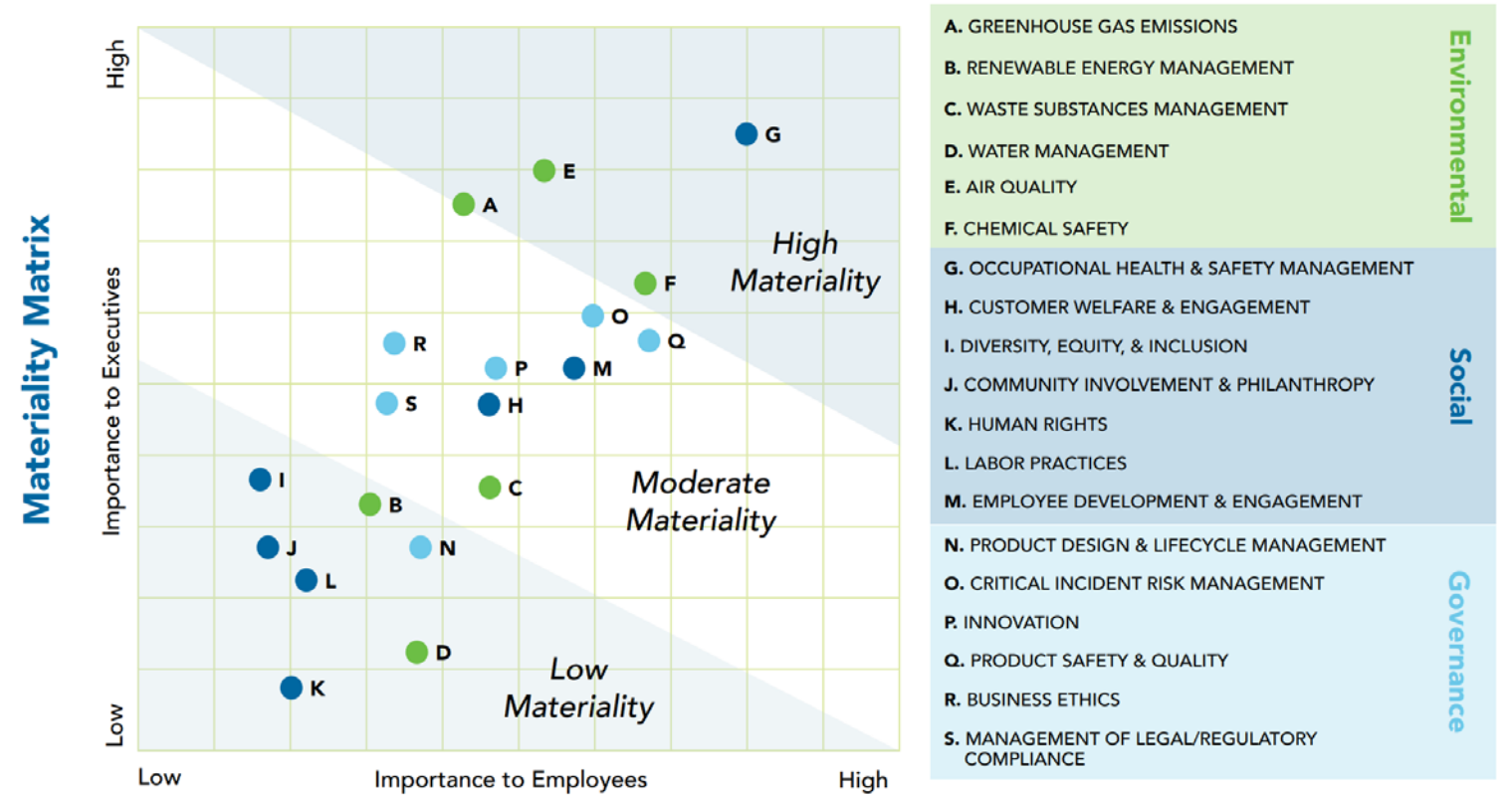
## Materiality

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 crossfunctional company participation. The resulting materiality matrix provides insights into the importance of these topics to our employees and their potential impact on our business.

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 years, 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.



This data serves as our baseline for topics and was gathered in 2022.

# Environmental Stewardship

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.

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

- 1. Waste, Hazardous Substances & Chemical Safety Management**
- 2. Enhanced Producer Responsibility Laws**
- 3. Air Quality & Emissions**
- 4. Energy Consumption & Greenhouse Gas Emissions**
- 5. Conservation, Biodiversity & Resource Use**

# Waste, Hazardous Substances & Chemical Management

**We make every effort to reduce or to eliminate waste of all types.**

This includes using resources such as robust engineering practices, maintenance and facility processes, materials substitution, conservation, recycling, and re-using materials. Solid waste generated from operations and industrial processes must be monitored, controlled, and treated as required prior to discharge or disposal, and recycled to maximum effect. Chemicals or other materials posing a hazard if released to the environment shall be identified and managed to ensure safe handling, movement, storage, recycling, reuse, or disposal. Diversified CPC has clear and effective waste management policies and procedures to help manage hazardous substances.

Diversified CPC has clear waste management documentation outlining their commitment to legal compliance. Their universal waste management program is a clear policy to ensure compliance with regulatory hazardous requirements for materials such as waste batteries, pesticides, mercury-containing equipment, and lamps such as fluorescents bulbs.

Hazardous waste management policies and procedures are reviewed with our plant managers annually despite our company’s very low production of hazardous waste. For broader hazardous waste, the company’s Waste Disposal policy also outlines how they follow appropriate labeling, testing, storage, handling, transportation, and documentation

procedures. Additionally, Diversified CPC has implemented metal, aluminum, oil, and paper waste recycling programs across its facilities.

Company waste is disposed, recycled, or reused. Diversified CPC has clear and effective waste management policies and procedures to help manage its waste streams. Furthermore, Diversified CPC facility locations have a special responsibility to implement recycling centers to collect recyclable waste streams. This policy includes practices to reduce landfill waste, further recycling, conserve energy, and reduce the usage of natural resources.

Diversified CPC is working towards increasing recycling activities and other recyclable waste streams may be added if markets develop.

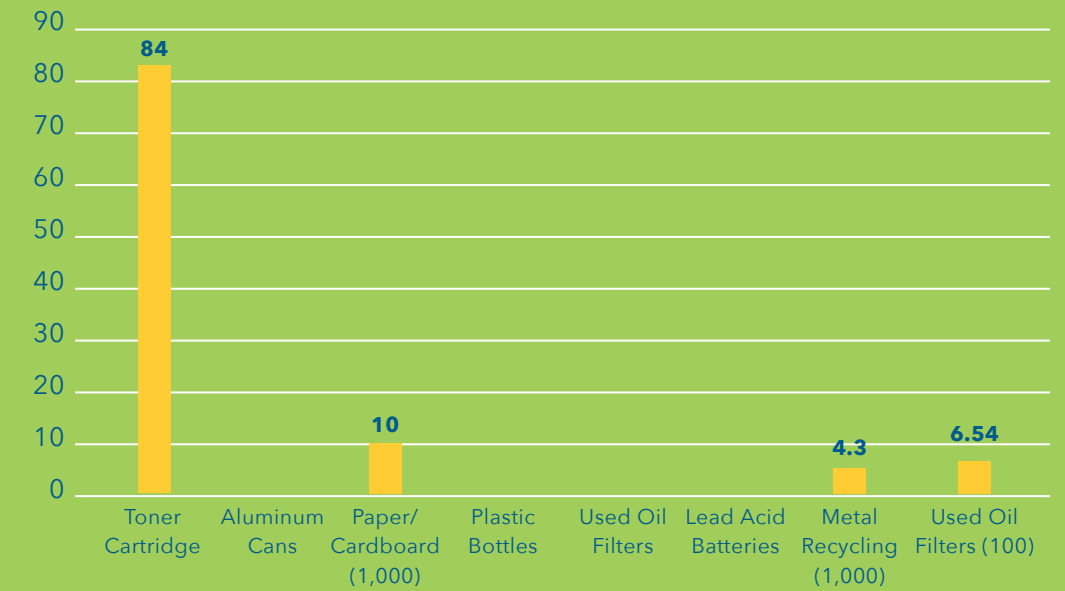
## Waste Stream Recycling Guidance:

Recyclable Waste Stream	Where to Recycle	Primary Collector
Toner Cartage	Facility Specific	Assigned by Facility
Aluminum Cans	Recycling Container	Assigned by Facility
Copy Paper, Newspaper, Shredded Paper, 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

We encourage utilization of life cycle analysis to minimize the environmental impact of our services and products during their life cycles.

**Additionally, we encourage innovative developments in products and services that offer environmental and social benefits.**

2023 FY Recycling Pounds for Recycling Components  
All Facility Locations



This graph uses the National Recycling Coalition Measurement Standards and Reporting Guidelines, EPA, FEEOC, and CIWMB 2006 to convert volumes of recycled waste to weight. If material is loosely compacted, the material volume is estimated.

**Diversified CPC Facility Waste Activity by Waste Category and Waste Stream for FY 2023**

X = New recycling stream for facility location during 2023 FY

Facility Location	REUSED		RECYCLED										UNIVERSAL WASTE		SPECIAL WASTE	HAZARDOUS WASTE	
	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	Used Batteries	Flourescent Bulbs	Sieve Material	N/A	N/A
Beaumont		X	X				X	X	X	X	X			X			
Channahon	X	X	X	X	X			X	X	X	X		X	X	X		
Sparta		X	X	X		X		X	X	X	X	X		X	X		
Sebring		X	X	X	X	X		X	X	X	X		X	X			
Anaheim	X	X	X	X		X	X	X	X	X	X		X	X			
Joliet			X	X	X	X			X				X				

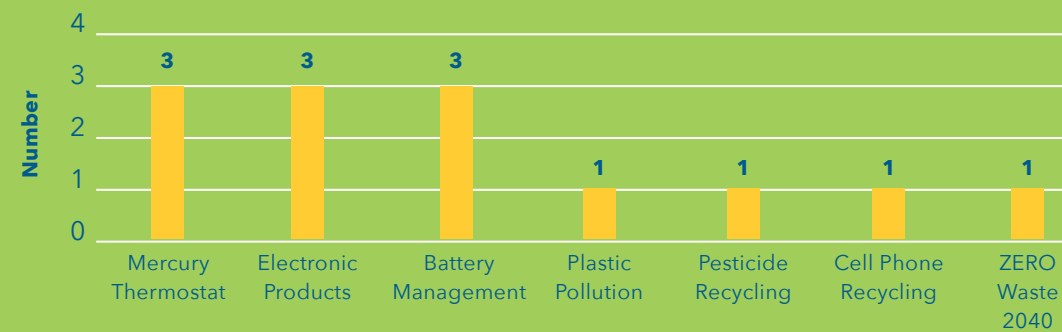
## Enhanced Producer Responsibility Laws

As an extension of our commitment to robust waste management, we endorse and proactively prepare for Enhanced Producer Responsibility (EPR) legislation in states where our facilities operate. Diversified CPC performed an EPR search and discovered there are three EPR state laws shared by our facilities: 1) Disposal of Mercury Thermostats 2) Electronic Products Recycling and Reuse 3) Battery Management.

We have developed end-of-use treatment and procedures for these selected waste streams that enhance product recovery and minimize environmental impacts. Diversified CPC will continue to stay informed and compliant with EPR laws and municipal "ZERO waste commitments."

In fiscal 2022 we developed an electronic products policy. For fiscal 2024, we will develop programs for universal waste and items containing Hg (mercury).

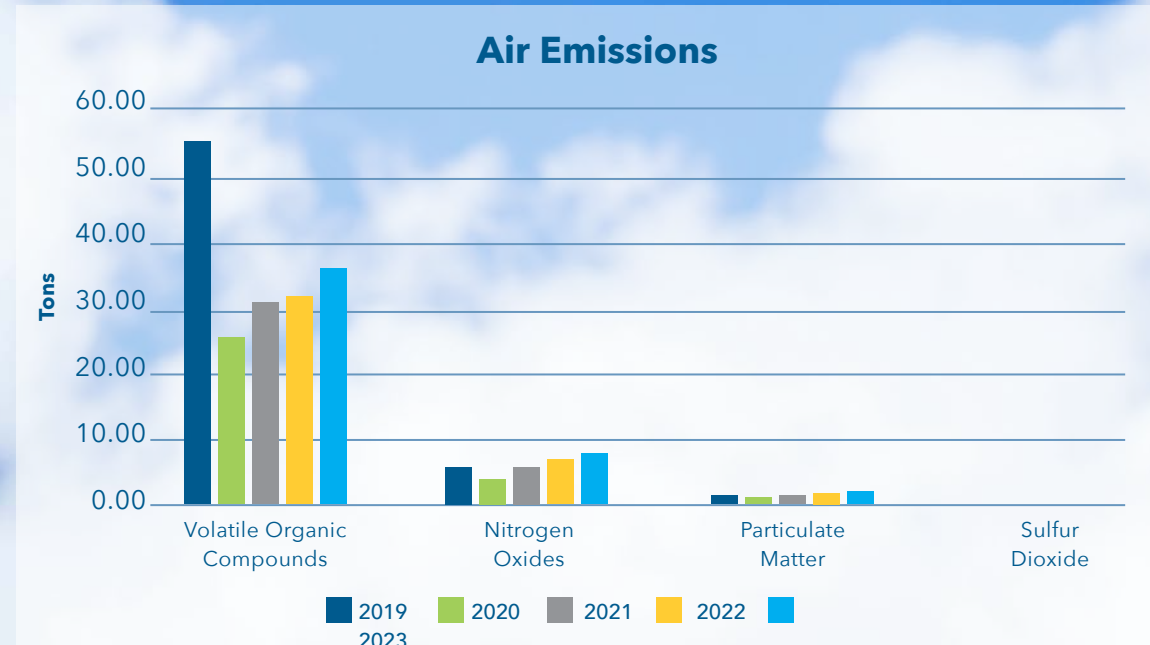
Shared EPR Laws



We have developed end-of-use treatment and procedures for these selected waste streams that enhance product recovery and minimize environmental impacts.



# Air Quality & Emissions



The U.S. is experiencing an unprecedented demand for clean and reliable 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; 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 by state and federal permits or through recognized and generally accepted processes prior to discharge. To monitor air quality efforts, Diversified CPC annually reports and certifies that we are meeting or outperforming our Clean Air Act Permits, through documents such as:

- Federal and State CAAPP Air Operating Permits
- Tier II Reports
- EPA Risk Management Plan (RMP)

We actively mitigate air emissions from our facilities, 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 a flare procedure to burn off unwanted air emissions that otherwise would be released to the atmosphere.

The Channahon facility also uses a Leak Detection and Repair (LDAR) program that identifies unintended or fugitive emissions from equipment in our Channahon facility. Beginning fiscal year 2024, we will add Anaheim and Beaumont to our LDAR list.

Diversified CPC has robust procedures for tracking and reporting air quality-related data. Emission data is collected to maintain compliance with applicable regulations and permits. By 2025 we will expand our Management of Environmental Safety and Health (MESH) program to include an assessment section for internal audits of air emissions compliance.

We calculate and report annual emissions from our facilities to the applicable regulatory agencies in accordance with permit requirements. Additionally, we provide air quality permit training for employees who have direct responsibility for reporting annual emissions.

In 2023 we experienced an increase in air emissions because we adopted tighter product specifications which required additional processing to meet enhanced specification requirements.

Fiscal year 2023 Diversified CPC had zero incidents of non-compliance with environmental permits, standards, and regulations. During fiscal year 2022, there were two non-compliance incidents.

# Energy Consumption & Greenhouse Gas Emissions

**Diversified CPC International aims to serve as a responsible steward of the environment. We recognize 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 specialty 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 emission-reduction technologies, Diversified CPC is actively working to minimize our operational Scope 1, Scope 2, and Scope 3 greenhouse gas emissions.**

Accurately tracking greenhouse gas emissions with measurable data enables us to effectively communicate performance to our stakeholders and identify opportunities to reduce operational emissions. Future requirements for monitoring greenhouse gas emissions and complying with federal and state reporting requirements will be evaluated through Diversified CPC's Management of Environmental Safety and Health (MESH) assessment process.

We also track and report Scope 1, Scope 2, and Scope 3 emissions data in accordance with the Greenhouse Gas Protocol. 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. Some methods reviewed during the 2023 fiscal year included looking at solar as a reduction source for GHG emissions. The Channahon facility does not have enough surface area to install enough solar panels to receive a ROI (return on investment) that would satisfy our stakeholders. In addition to reviewing solar as a GHG reduction source, Diversified CPC reviewed carbon offsets. This appears to be a plan that can be considered more seriously for future GHG reductions. The consideration is to divide the total carbon offsets over a five-year period, thus providing a 20% annual GHG reduction year over year.

The aerosol propellant industry has faced evolving environmental regulations over the past six decades. From chlorofluorocarbons (CFCs) and ozone depletion in the 1970s and early 1980s, VOC limits on consumer products over the past three decades, and new focus on global warming potential (GWP) and phasedown of hydrofluorocarbons (HFCs), the aerosol propellant industry has been resilient, supporting our aerosol customers with specialty blending and new liquefied gas propellant alternatives.

There is a new hydrofluoroolefin (HFO) aerosol propellant that has a GWP of one. The aerosol industry is converting products requiring a non-flammable liquefied gas aerosol propellant

from HFC-134a to HFO-1234ze (except for critical aerosol product applications exempted by the US EPA). Each pound of HFC-134a replaced by HFO-1234ze represents a GWP reduction of at least 1299 pounds. Converting to HFO-1234ze, Diversified CPC has lowered the GWP value and reduced Scope 3 carbon dioxide equivalent (CO<sub>2</sub>e) for this product conversion from 189,000 metric tons in fiscal year 2022 to 92,000 metric tons in fiscal year 2023, with an overall GWP reduction of 97,000 metric tons CO<sub>2</sub>e.

Over the past six years, we have focused investments on growth markets while contributing strong support for the aerosol market segment which continues to be key to the success of our corporation. Investments in high-purity hydrocarbon purification processes also provided Diversified CPC with expanded production capabilities to meet tighter aerosol propellant quality specifications.

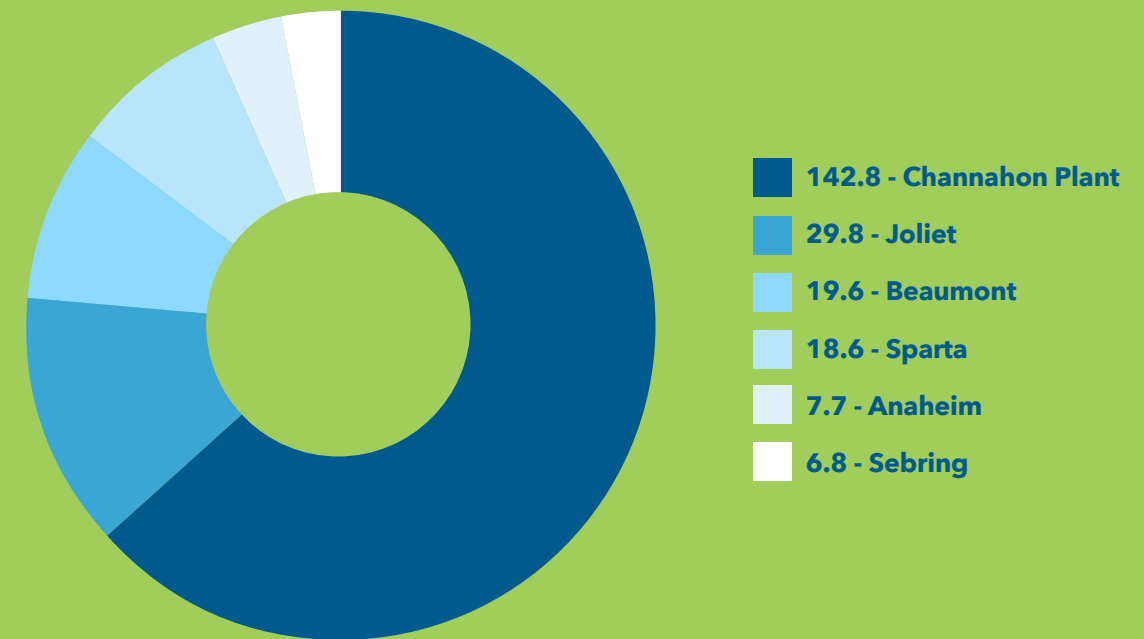
During fiscal year 2023, Diversified CPC has tracked and reported Scope 3 emissions data in accordance with the Greenhouse Gas Protocol. The Scope 3 emissions activities reported on employee commuting. Employee commuting can have a significant impact on the environment, as it contributes to greenhouse gas emissions, particularly carbon dioxide (CO<sub>2</sub>) emissions. Calculating the amount of CO<sub>2</sub> emissions from employee commuting can help Diversified CPC understand their carbon footprint and identify areas where this environmental impact can be reduced. Fiscal year 2023 is our baseline year for reporting these Scope 3 emissions; the total CO<sub>2</sub> emissions from employee commuting is 225.3 tons.



## Fuel Consumed During Commuting

A fuel-based method was used to determine the amount of fuel consumed during commuting and applied an average-data method for estimating emissions based on national average data commuting patterns.

### Annual Tons CO<sub>2</sub>e by Location



# Energy Consumption & Greenhouse Gas Emissions

## Base Year Emissions

Fiscal year 2022 serves as our base year for reporting.

EMISSIONS	TOTAL (mtCO2e)	TOTAL Emissions Intensity (mtCO2e / USD profit)	TOTAL Emissions Intensity (mt-CO2e / tons of product output)	CO <sub>2</sub> (mt)	CH <sub>4</sub> (mt)	N <sub>2</sub> O (mt)	HFCs (mt)	PFCs (mt)	SF <sub>6</sub> (mt)
Scope 1	10,264	n/a	0.12	n/a	n/a	n/a	n/a	n/a	n/a
Scope 2	1,605	n/a	0.02	n/a	n/a	n/a	n/a	n/a	n/a

### METHODOLOGIES AND EMISSION FACTORS

Methodologies used to calculate or measure emissions other than those provided by the GHG Protocol.

Diversified CPC owns and operates 100% of all 6 facilities, therefore we've taken the operational control approach.

## 2023 Fiscal Year Reporting

**Information on Emissions:** The table below refers to emissions independent of any GHG trades such as sales, purchases, transfers, or banking of allowances.

EMISSIONS	TOTAL (mtCO2e)	TOTAL Emissions Intensity (mtCO2e / USD profit)	TOTAL Emissions Intensity (mt-CO2e / tons of product output)	CO <sub>2</sub> (mt)	CH <sub>4</sub> (mt)	N <sub>2</sub> O (mt)	HFC <sub>s</sub> (mt)	PFC <sub>s</sub> (mt)	SF <sub>6</sub> (mt)
Scope 1	6,085.38	--	72,526.08	n/a	n/a	n/a	n/a	n/a	n/a
Scope 2	1,642.55	--	0.02	n/a	n/a	n/a	n/a	n/a	n/a
Total Scope 1 & 2	7,727.93	--	0.10	7,707.84	0.42	0.25	n/a	n/a	n/a
Employee Commuting	2.08	n/a	n/a	223.06	0.01	0.01	n/a	n/a	n/a
<b>Direct CO<sub>2</sub> emissions from Biogenic combustion (mtCO<sub>2</sub>)</b>									
No biogenic sources									

**Fiscal year 2023 is our baseline year for reporting emissions from employee commuting, which is 225.3 tons.**

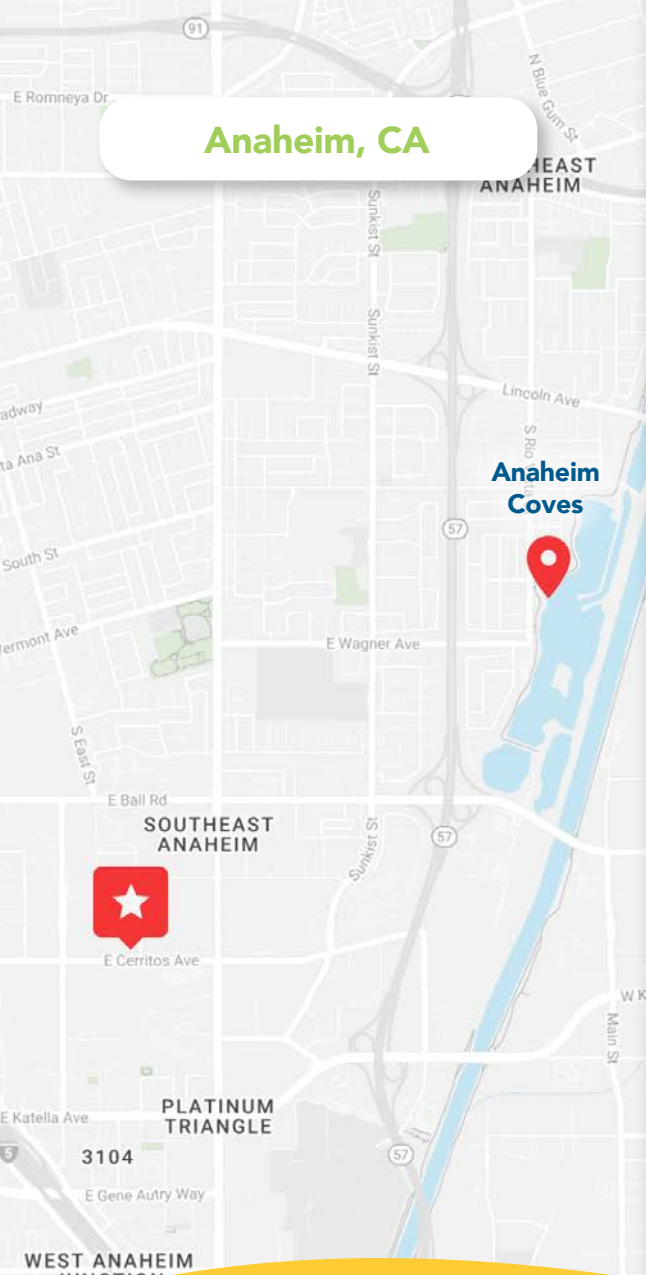
We used Greenhouse Gas Protocol Technical Guidance for Calculating Scope 3 Emission (version 1.0) - Category 7 Employee Commuting provides guidance for reporting and calculating emissions data. We used an application inside Paylocity to determine transportation of employees between their homes and their worksites and used emission calculation from employee automobile travel. This data excluded employees working more than 50% remotely.



# Conservation, Biodiversity & Resource Use

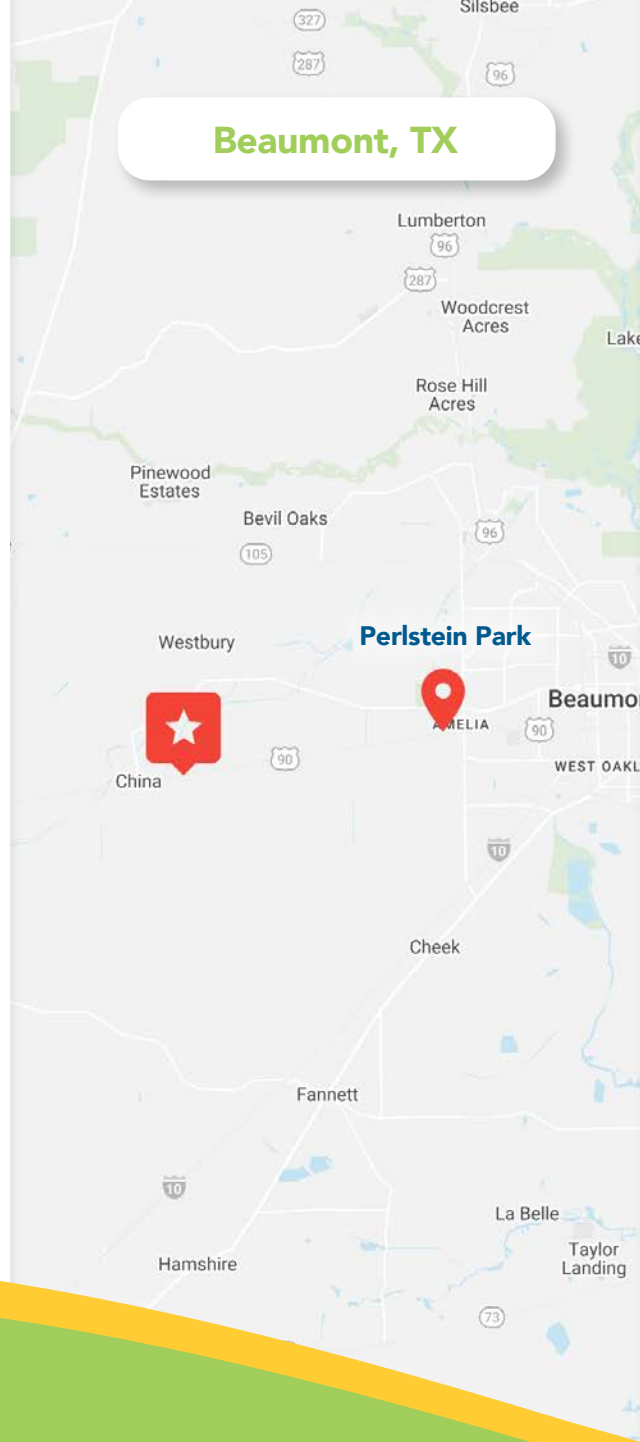
To the extent possible, and with continual improvement, we expect implementation of conservation and resource utilization improvement programs to protect lands and ecosystems where Diversified CPC has production operations. As part of our commitment to protecting the communities where we work, our plant managers identified protected areas near our operational facility locations. Diversified CPC used ProtectedLands.net as a resource to identify the Protected Areas Database of the United States (PAD-US). What follows are protected lands that our operational facility locations have identified.





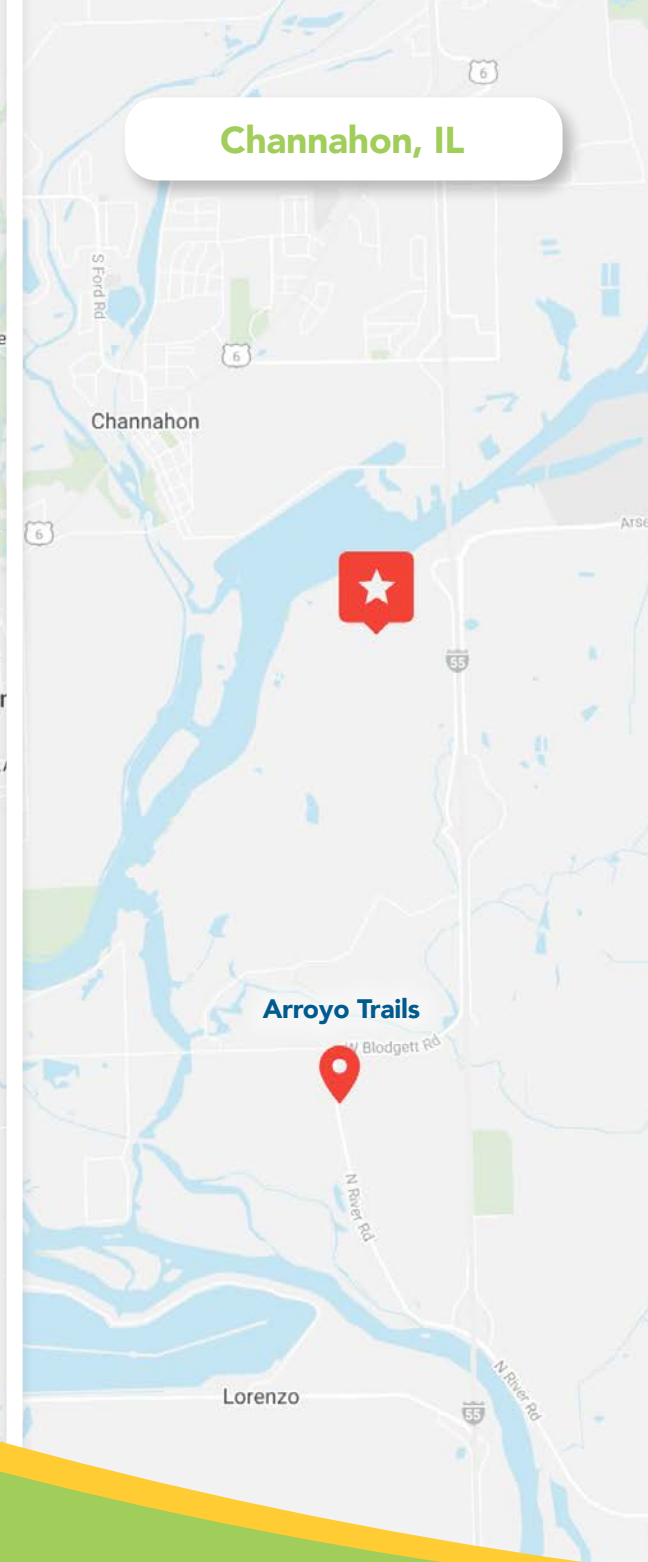
**Anaheim, CA**

Anaheim Coves



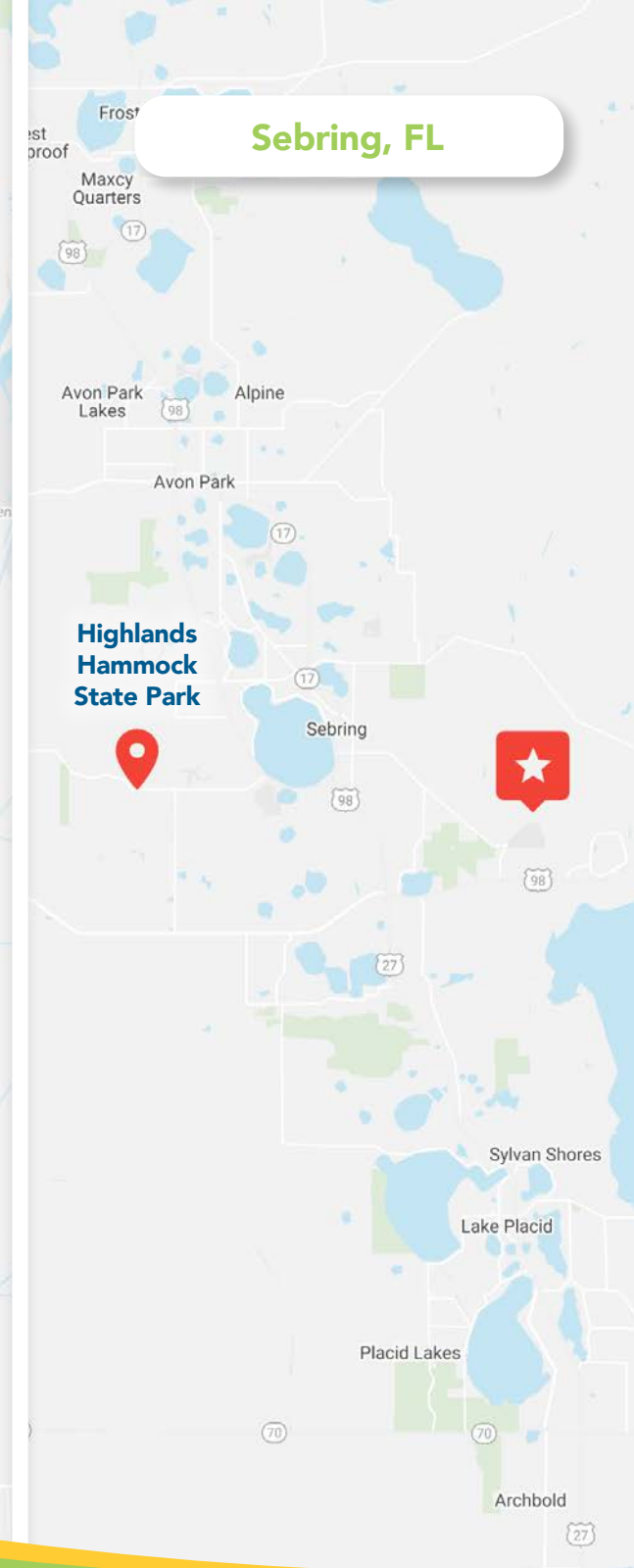
**Beaumont, TX**

Perlstein Park



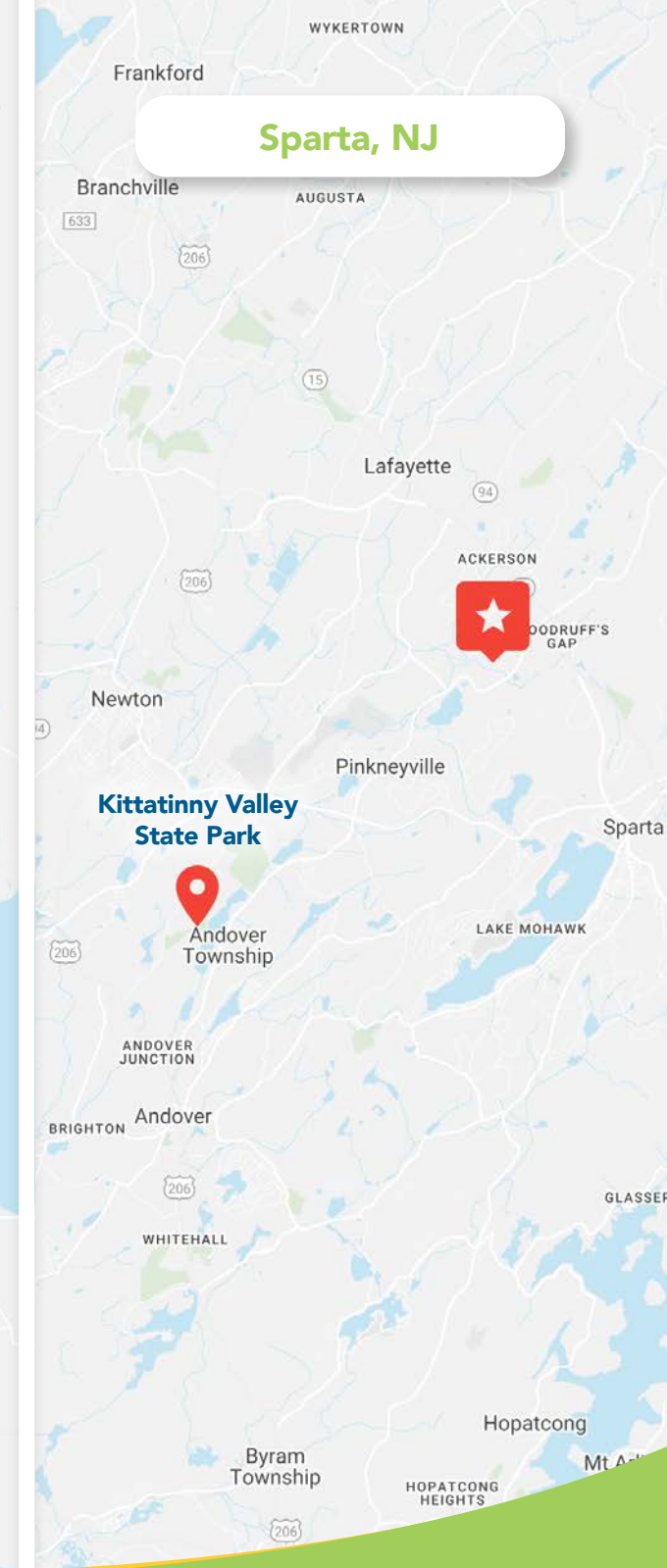
**Channahon, IL**

Arroyo Trails



**Sebring, FL**

Highlands Hammock State Park



**Sparta, NJ**

Kittatinny Valley State Park

In the coming years, we will create plans for protecting these lands as future sustainability efforts, which may include protecting these lands from habitat destruction, land use changes, and the introduction of invasive species.

**Map Key:**

-  Diversified CPC operational facility
-  Protected Land

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



# Social Responsibility

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

1. **Diversity, Equity & Inclusion**
2. **Community Involvement & Philanthropy**
3. **Occupational Health, Safety & Labor Practices**
4. **Human Rights**
5. **Employee Training, Development & Engagement**





Diversified CPC is committed to fostering, cultivating, and preserving a culture of diversity, equity, and inclusion.

## 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, 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
- Vendor Onboarding Application
- Demographic Data Information Tracking
- Celebration of International Women's Day

## Community Involvement & Philanthropy

Diversified CPC's Community engagement is encouraged to help foster a shared understanding and to improve social and economic development, especially in the communities where we work. Communities are equally as important as our customers and employees, which is why we are committed to supporting local charities and community organizations.

We established our flagship manufacturing facility in Channahon, IL in 1982. Since then, we have been a long-time supporter of the Channahon Three Rivers Festival, which supports the local Channahon area youth sports. We also support Morningstar Mission, a local homeless shelter, the Channahon Park District, and the Three Rivers Education Partnership, a group dedicated to linking local employers with local schools to create awareness of career opportunities, as well as other local charities. Diversified CPC regularly supports the Alzheimer's Association. Additionally, we support area blood drives.

We are committed to increasing our community involvement within all regions in which we operate. For fiscal year 2024, each facility has been tasked with identifying local organizations and/or events that will positively impact the community.

# 2022 Employee Metrics

Total number and rate of new employee hires during the reporting period:

22

Whole Company  
New hires

6

Whole Company  
Terminations/Turnover

6%

Whole Company Turnover Rate  
*Industry Standard < 10%*

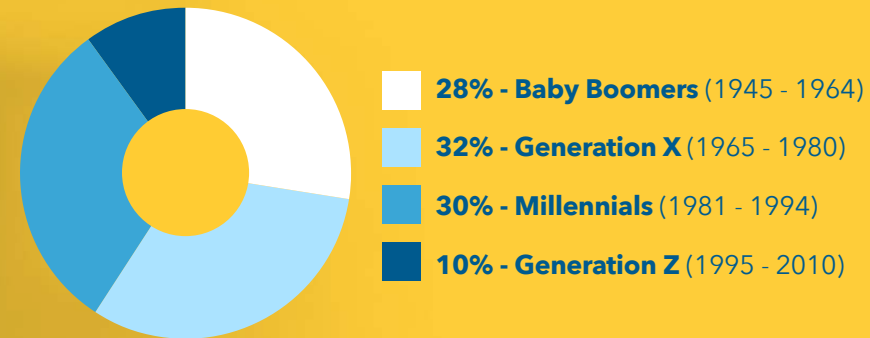
Total number and rate of new employee hires during the reporting period, by age group, gender, and region.

**Age**  
Under 30: 4 employees  
30 - 50: 2 employees  
Over 50: 0 employees

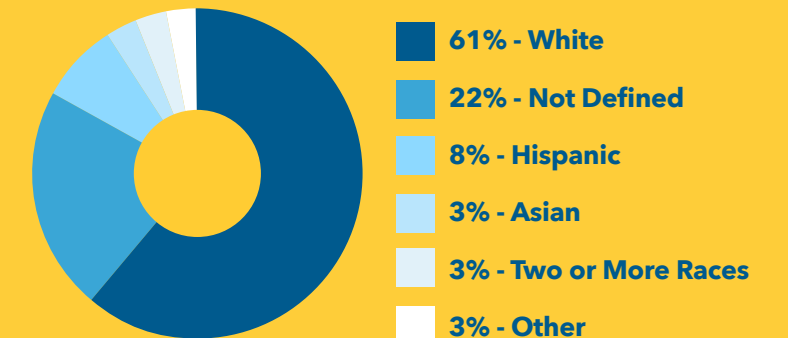
**Gender**  
Male-6  
Female-0

**Region (Department/Cost Center)**  
Channahon Plant - 4  
Operations - 1  
Beaumont Plant - 1

## Generation



## Ethnicity



## Parental leave

Whole Company Data - Entitled

Female	Male
1	4

Whole Company Data - Took

Female	Male
1	0

## Pay Type



## Gender (Legal)



Total number and rate of new employee hires during the reporting period:

15

Whole Company  
New hires

15

Whole Company  
Terminations/Turnover

15%

Whole Company Turnover Rate  
*Industry Standard < 10%*

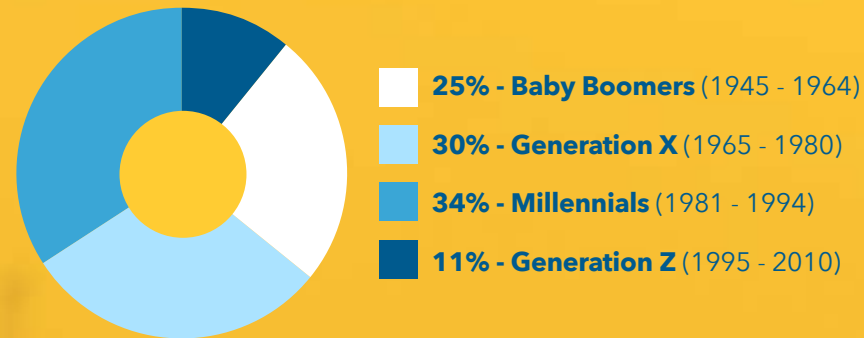
Total number and rate of new employee hires during the reporting period, by age group, gender, and region.

**Age**  
Under 30: 7 employees  
30 - 50: 6 employees  
Over 50: 2 employees

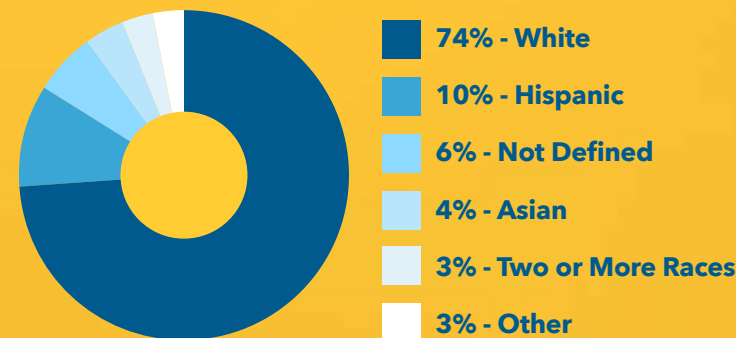
**Gender**  
Male-12  
Female-3

**Region (Department/Cost Center)**  
Channahon Plant - 6  
Operations - 3  
Corporate - 1  
Petal Plant - 2  
Beaumont Plant - 3

Generation



Ethnicity



Parental leave

Whole Company Data - Entitled

Female	Male
0	3

Whole Company Data - Took

Female	Male
0	0

Pay Type



Gender (Legal)



During FY22 and FY23 we had 0 incidents within the reporting timeframe:

- EthicsPoint Reporting
- Problem-Solving Procedure
- Anti-Harassment and Discrimination Policy
- EEO Policy

# 2023 Employee Metrics

# Occupational Health, Safety & Labor Practices

At Diversified CPC, safety is part of doing business right. A broad set of programs creates a workplace where employees, and contractors working in our facilities, share personal responsibility for creating and maintaining a safe work environment. It begins with our safety policy, which guides us towards our Achieve Zero culture in eliminating injury and illness at our workplace locations. The company safety policy requires everyone to be responsible and accountable for recognizing and correcting at-risk behavior or unsafe conditions. At facilities throughout the United States, our safety expectations require employees to follow established safety procedures, including energy control, safe work permits, and process safety management procedures for high-risk activities, using personal protective equipment, and reporting unsafe conditions, injuries, and illnesses to prevent similar incidents or conditions from occurring in the future.

Diversified CPC's Environmental Health and Safety (EHS) performance

is governed by Management of Environment, Safety, and Health (MESH), a companywide, unified approach which consolidates elements of applicable ISO standards, regulatory requirements and Diversified CPC-specific standards into one integrated management system. Through MESH, our facilities work toward achieving world-class goals, setting targets for improvement, and identifying and sharing best practices. Our MESH program leverages ISO 14001 and ISO 45001, and performance is regularly monitored through an annual assessment process. We continue to see significant advancement in our EHS metrics year over year, while continuing to raise the bar on our expectations.

In fiscal year 2023, the total recordable incident rate did not deviate from the previous year. During fiscal year 2022, we had 0 lost time accidents. However, there was 1 lost-time accident that resulted in a days-away case rate of 1.0 for fiscal year 2023.





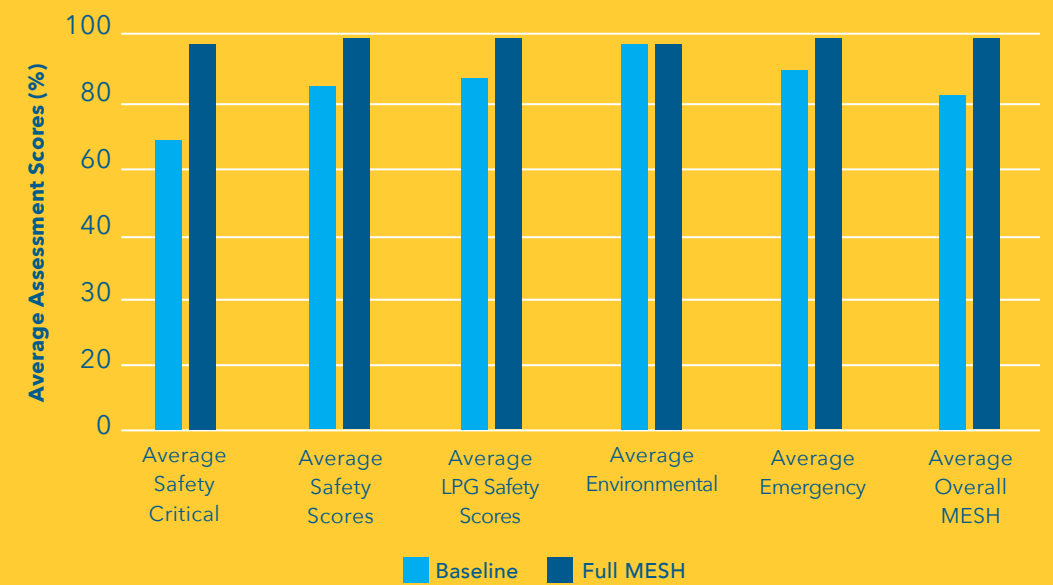
## Management of Environmental Safety and Health (MESH)

Through MESH, all company facilities work toward consistent goals, applying the same metrics, setting targets for improvement, and identifying and sharing best practices. Most importantly, MESH elevates EHS from a series of isolated activities to a responsibility shared by all our employees. MESH is also designed to conform with international standards such as ISO 14001 and OHSAS 18001/ISO 45001. Our MESH management system covers the categories shown below with a universal management approach.

The average overall MESH score has improved from 83% to 99%. This fiscal year was the first year where our environmental module was assessed at all facility locations. **The average score is 98%.**

### MESH Assessment Roll-Up FY 2024

Average MESH Module Scores



# Achieving Zero

**We set a goal of operating with zero incidents because we believe that everything we do can be done safely and without adverse safety impact to our employees, visitors, or contractors. We believe this goal is achievable. To ACHIEVE ZERO incidents, we audit our safety programs through MESH, conduct monthly safety meetings with our plant managers and operators, and send out a weekly safety message, the “MESH Minute,” to all employees. Our employees go through rigorous safety training that sharpens their skills to verify that risk is controlled or eliminated. Managing risk is accomplished through engineering controls i.e., pressure release valves, administrative controls i.e., safe work permits, and personal protective equipment, i.e. safety glasses and hard hats.**

Our employees not only believe that an incident-free performance is achievable, but they also have a mindset that zero incidents in our facility operations, office areas, or while driving on the road, can be achieved. They have a sense of purpose and direction regarding their personal safety, as well as the safety of those around them.

Diversified CPC recognizes that employee health and safety is a core value that is integrated into every aspect of our business. While our priorities can change daily, our values about safety remain intact.

During the 2022 and 2023 fiscal years, our facility operators sent out 590 railcars with 0 accident releases of hazardous material and 0 non-accident releases (NARs) of hazardous materials from rail transportation. Before a railcar is approved for shipment, our nationwide operators perform a tank car inspection report that aligns with U.S. Federal Railroad Administration (FRA) regulations. No tank car leaves a Diversified CPC facility without 100% compliance.

**Number and gallons of fully loaded railcars and tanker trucks shipped during fiscal year 2022 and 2023:**

Shipment Type	FY 2022	FY 2023
Railcars	432	158
Trank Trucks	2,358	4,166
Gallons of Hazardous Material Shipped	27.4m	51.2m

**Number of accidental releases of hazardous material during fiscal year 2022 and fiscal year 2023:**

**0.00**  
*(At Goal)*

**Number of non-accident releases (NARs) of hazardous material during fiscal year 2022 and fiscal year 2023:**

**0.00**  
*(At Goal)*

**Number of property damage incidents during fiscal year 2022 was 1 tractor trailer incident and:**

**0**  
*(tractor trailer incidents for FY 2023)*

# Achieving Zero

During fiscal year 2022, 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.

A Tier 1 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 the atmosphere, whether directly or via a downstream event release of material greater than the threshold EPA quantities.

A Tier 2 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 the atmosphere, whether directly or via a downstream event release of material less than the threshold EPA quantities.

*Diversified CPC recognizes facility employees when they meet their ACHIEVE ZERO metric. This fiscal year, we recognized three of our facilities for meeting this goal.*

During FY 2022 Total Tier 1 Process Safety Events were 0. For FY 2023:

0

(At Goal)

During FY 2022 Total Tier 2 Process Safety Events were 8. For FY 2023:

0

(At Goal)

Fiscal Year 2023 Site Locations Meeting their ACHIEVE ZERO Metric Include: Anaheim, Beaumont, and Channahon

Plant	Hours	Months	Goal
Anaheim	51,092	72	72 months
Beaumont	42,613	37	36 months
Channahon	392,025	38	400,000 hours
Sebring	6,054	7	36 months
Sparta	38,514	32	36 months
<b>Company Total</b>	<b>115,444</b>	<b>7</b>	<b>250,000 hours</b>

## Safety & Environmental Stewardship of Chemicals

The LPG (liquefied petroleum gas) industry stands at a pivotal juncture, characterized by a delicate balance between risks and opportunities. As one of the most versatile and accessible energy sources globally, LPG plays a crucial role in various sectors, including residential, commercial, industrial, and automotive. However, its trajectory is not devoid of challenges and uncertainties. Understanding these dynamics is imperative for stakeholders to capitalize on emerging opportunities while mitigating potential risks.

### Product Stewardship Challenges Facing Diversified CPC International:

- 1. Supply Chain Vulnerabilities:** Reliance on supply chains involving production and transportation could disrupt these segments and significantly impact supply availability and prices, whether due to geopolitical tensions, natural disasters, or infrastructure failures.
- 2. Regulatory Changes:** Shifts in regulatory frameworks, particularly concerning environmental standards and safety regulations, pose compliance challenges for our facilities and distributors. Adapting to evolving regulatory landscapes requires substantial investments in technology and infrastructure upgrades.
- 3. Competitive Landscape:** Alternative energy sources such as natural gas, electricity, and renewable energy could pose stiff competitive pressure. Pricing fluctuations and advancements in competing technologies could erode the market share of some of our products if not adequately addressed.
- 4. Environmental Concerns:** Despite being a cleaner-burning fossil fuel compared to coal and oil, our

products still emit carbon dioxide upon combustion. With an increasing emphasis on mitigating climate change, the industry faces scrutiny over its carbon footprint, necessitating investments in cleaner production processes and carbon offset initiatives.

- 5. Consumer Perception:** Perception of our LPG products as a safe and efficient energy source is crucial for market growth. Instances of accidents, mishandling, or misinformation by industry producers and suppliers can undermine consumer confidence, leading to decreased demand and reputational damage for Diversified CPC.

### Product Stewardship Opportunities Facing Diversified CPC International:

- 1. Energy Transition Support:** Our mix of LPG products serves as a transitional fuel as customers and suppliers shift towards cleaner energy sources. For example, our pentane products offer versatility and compatibility with existing infrastructure making it an attractive option for customers transitioning away from CFC refrigerants and towards more sustainable alternatives.
- 2. Industrial Applications:** The industrial sector represents a significant growth opportunity for us, particularly in manufacturing, agriculture, and hospitality. LPG's high energy density, portability, and low emissions make it an attractive fuel for various industrial processes, driving demand growth.
- 3. Technological Advancements:** Innovations in LPG production, storage, and utilization technologies are enhancing efficiency, safety, and environmental performance. Investments in research and development can further drive technological advancements, unlocking new applications and improving market competitiveness.





# Navigating the Future

**To thrive in an increasingly dynamic landscape, stakeholders in the LPG industry must adopt a proactive approach to risk management and capitalize on emerging opportunities. This entails:**

- **Diversification:** Expanding product portfolios and exploring new market segments can help mitigate risks associated with market fluctuations, regulatory, and supply chain changes.
- **Innovation:** Investing in research and development to improve technology, enhance operational efficiency, and reduce environmental impact is essential for maintaining a competitive edge.
- **Collaboration:** Building strategic partnerships with governments, industry associations, and other stakeholders can facilitate knowledge sharing, regulatory advocacy, and market expansion efforts.
- **Sustainability:** Embracing sustainability practices, such as carbon offsetting, renewable energy integration, and waste reduction, can enhance the industry's environmental appeal to environmentally conscious consumers.

Overall, Diversified CPC will continue to face various risks and uncertainties; however, we also look forward to opportunities for growth and innovation. By embracing strategic planning, technological advancements, and sustainability principles, we can navigate the complexities of the market landscape and drive our business towards a more sustainable and prosperous future.

**Some key sustainability considerations and metrics relevant to the environmental and social aspects of resource management within our company are:**

- 1. Resource Efficiency:** Measuring and reporting on the efficiency of LPG production processes, including the utilization of raw materials and energy inputs. This includes metrics reported throughout this report such as energy consumption per unit of LPG produced and recycled waste opportunities.
- 2. Emissions Management:** In the Greenhouse Gas section of this report, Diversified CPC discloses emissions data associated with LPG production and transportation. This includes greenhouse gas emissions, volatile organic compounds (VOCs), and other air pollutants. Additionally, we will report on efforts to reduce emissions through fluorochemical upgrades, operational improvements, GWP reduction of fluorochemical products, and our leadership team continues to evaluate emissions abatement measures.
- 3. Biodiversity Conservation:** Diversified CPC will be assessing the potential impact of LPG operations on local ecosystems and biodiversity. Our facility locations have identified protected lands near their facility locations where

measures to mitigate biodiversity loss and protect sensitive habitats in areas where LPG activities occur.

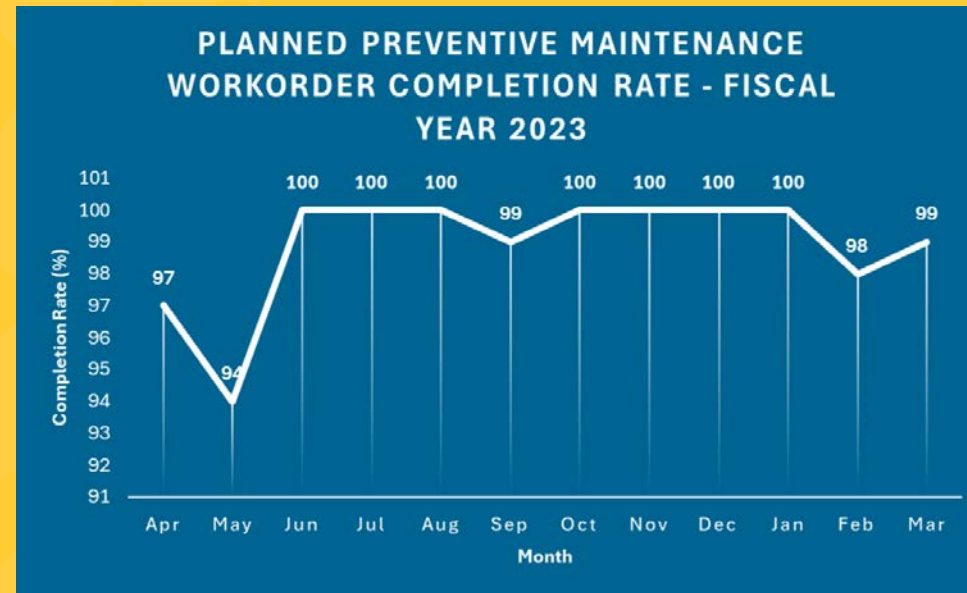
- 4. Waste Management:** Track and report on recycling rates associated with LPG operations. Implement waste reduction strategies, such as reuse, recycling, and waste-to-energy initiatives, to minimize the environmental footprint of LPG production and distribution activities.
- 5. Health and Safety:** Ensure the health and safety of employees, contractors, and communities located near LPG facilities and transportation routes. Throughout this report, we cite and illustrate our occupational health and safety performance, including injury rates and MESH Assessments. Diversified CPC has implemented robust safety protocols, training programs, and risk management systems to prevent accidents and protect human health.
- 6. Labor Practices:** We uphold fair labor practices and human rights standards throughout our value chain. This includes promoting diversity and inclusion, respecting worker rights, and ensuring fair wages and working conditions for employees and contractors involved in LPG operations.
- 7. Supply Chain Management:** We continue to evaluate the social risks and opportunities associated with our supply chains, including sourcing practices, supplier relationships, and labor conditions. In the coming years, Diversified CPC will implement supply chain due diligence processes, supplier assessments, and responsible sourcing initiatives to mitigate risks of labor exploitation, human rights abuses, and unethical practices.

**In addition to adhering to these current and future guidelines, we will enhance our process safety operating discipline and management system performance by employing metrics that are specific to our facilities, operations, and safety priorities that maintain and improve environmental safety performance and manage risk.**

# 100%

**Fiscal Year 2023 conformance to Process Hazard and Major Incident Risk Assessments**

Our engineering groups update P&IDs and fundamentally ensure the safe design of our processing equipment, while our operation teams review, update, and train our production operators on process safety information and operating procedures. Our maintenance teams perform scheduled equipment maintenance, inspection, and testing which certifies asset integrity and process safety initiatives. These maintenance activities are measured and tracked to ensure that mechanical integrity tasks are performed on time.



*Channahon facility*

At Diversified CPC, we assess and manage safety and environmental risk through our Process Hazard Analysis process, PSM/RMP auditing process, and through our MESH Assessments. Each facility is scheduled to receive these audits using our regulatory checklist.

We continue to maintain a high rate for completing workforce and management training and development for our production operators and management team. In addition to their ongoing training, their technical competency is assessed yearly through our annual review process. This fiscal year, our plant operations have a 100% completion rate on Process Safety Management Training

Topics and receiving an on-time annual review. Some of the Process Safety Management Training Topics are listed below.

**Initial PSM/RMP Refresher Training for Operating Processes**

- Video: Handling LPG Emergencies
- Video: Propellant Safety
- Video: Flammable and Non-Flammable Gases
- Video: A Safe Team - Aerosol Propellants and Hydrocarbons
- Video: Hydrocarbon Propellant Safety Seminar

**Incident Reporting**

- Process Overview - Channahon and Simple Schematics
- Process Overview - Anaheim
- Process Overview - Beaumont
- Process Overview - Sparta
- Process Overview - Sebring

At Diversified CPC, we assess and manage contractor safety and environmental risk through a contractor competency and management form. Once a contractor is approved, they go through our internal contractor onboarding and testing process. During fiscal year 2024, Diversified CPC will implement a contractor tracking system to help our plant managers determine which contractors need to reapply for a competency and management review, and which contractor employees are authorized to work at a company location.

Quality of, and adherence to, Diversified CPC’s operating procedures are controlled through internal audits and observed through on-the-job supervision. As internal audits are conducted, audit improvement actions are captured within our internal audit report. These improvement actions are assessed by our quality team to determine how they will be addressed, as either a project or as a closed action item. Process safety management audits are also controlled through internal audits and observed via on-the-job supervision. All Internal audits have been completed on time.

# Human Rights

Diversified CPC supports the protection and preservation of human rights around the world and is guided by the fundamental principles of human rights, 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.

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, and by using external business partners whose corporate values are consistent with ours. We consider relationships with our external business partners to be an opportunity to share best practices and believe in a continual process of learning, improving, and evolving these processes with respect to human rights. These best practices specifically consider each of the items listed to the right.

## Internal policies that help us align to this statement include:

- **Code of Conduct**
- **Employee Handbook**
- **Human Rights Policy**

**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 i.e., recruitment or hiring fees, from workers.

**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. Young workers over the legal minimum age for employment may be hired. However, young workers under the age of 18 shall not perform work that is likely to jeopardize the health or safety of young workers, including night shifts and overtime, or work longer hours than is permitted by local law.

**Working Hours:** Workweeks shall not exceed the maximum set by local law. Further, a workweek should not be more than 60 hours per week, including overtime, except in emergency or unusual situations. Workers shall be allowed at least one day off every seven days.

**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.

**Wages and Benefits:** Compensation shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. Employees shall be able to earn fair wages, as determined by applicable local law. In compliance with local laws, workers shall be compensated for overtime at pay rates greater than regular hourly rates. Deductions from wages as a disciplinary measure shall not be permitted. The basis on which workers are being paid is to be provided in a timely manner via pay stub, similar documentation, or supplier intranet.

**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 own 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 Training, 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.**

Performance and career development reviews are conducted on an annual basis for 100% of Diversified CPC employees. Succession planning utilizes Individual Development Plans (IDPs) as a tool for career development.

## EMPLOYEE & CONTRACTOR TRAINING

Diversified CPC tracks, trains, and measures our training performance of our employees and outside contractors. This training covers a variety of topics including OSHA, EPA, and corporate ethics.

**What follows are quantitative descriptions for the training topics Diversified CPC employees have undertaken during fiscal year 2023:**

- Employees participated in 2,757 training topics
- Each employee averaged 27 training topics during fiscal year 2023

**While nearly all employee training is performed at the facility level, eighteen (18) courses or seminars were performed outside of the company during this reporting period.**

On an annual basis, each Diversified CPC facility trains outside contractors before they are permitted to perform maintenance or construction activities within a facility's covered processes. We address training topics such as hazard communication, emergency planning and response, energy control, hot work, confined space entry, fall protection, and PPE. We also cover liquefied petroleum gas (LPG) safety.

Facility Name	Outside contractors trained during FY23	Facility Name	Outside contractors trained during FY22
Anaheim	7	Anaheim	5
Beaumont	185	Beaumont	128
Channahon	99	Channahon	83
Petal	Closed	Petal	0
Sebring	37	Sebring	31
Sparta	15	Sparta	8

## TRANSITION ASSISTANCE PROGRAMS:

- Employee Assistance Program (AEP) through benefit provider, "Perspectives."
- Retirement planning assistance through our benefit broker, One Digital.
- Severance pay is provided as appropriate.
- Job placement services as provided as appropriate.
- Assistance with transitioning to a non-working life is provided by "Perspectives."
- Succession planning is provided for employees transitioning into new roles and future retirements.

## SKILLS DEVELOPMENT PROGRAMS:

- External training seminars are encouraged and supported by Diversified CPC.
- Required training plans and miscellaneous training activities are maintained and tracked internally.
- Tuition reimbursement for approved and qualified education.
- Onboarding plans for new employees.
- Internal training courses and retraining as needed.
- Succession planning utilizes Individual Development Plans (IDPs) as a tool for skill development.
- Employee engagement surveys are conducted electronically through Paylocity.
- Townhall meetings are held throughout the year to engage employees and keep them informed of company performance and activities.

# Employee Benefits

Diversified CPC provides full-time employees with a 401(k) plan and matches up to 4%.

## Full-Time Benefits offered by Diversified CPC:

1. Medical (premiums paid 100% by Diversified CPC)
2. Dental (employee-only coverage premiums paid 100% by Diversified CPC)
3. Vision
4. STD, LTD, AD&D, Basic Life Insurance (company paid)
5. Health Savings Account (the company contributes as outlined below)
  - Employee Only: \$1200
  - Employee + Spouse: \$2500
  - Employee + Children: \$1900
  - Employee + Family: \$3300 (Diversified CPC contributes quarterly)
6. Voluntary life insurance
7. AFLAC insurance
8. Employee Assistance Program through Perspectives (company paid)
9. Wellness Programs and Incentives
10. Tuition Reimbursement
11. Gym Membership Reimbursement (up to \$30/month with a minimum of 8 uses per month)
12. Safety Glasses Reimbursement
13. Work Boot Reimbursement
14. 401(K) with company match up to 5%
15. Paid Time Off (vacation, personal time, bereavement, jury duty, holidays, etc.)
16. FMLA
17. Seminar Programs and On-the-Job Training
18. Yearly Service Awards
19. Milestone Service Recognition

### ADDITIONAL BENEFITS PROVIDED BY CIGNA:

- IdentityForce
- Lifestyle Management
- MotivateMe

### ADDITIONAL SUPPORT THROUGH ONEDIGITAL:

- Financial, Legal and Estate Support
- Retirement Planning

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.



# 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 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

1. **Business Ethics**
2. **Management of Regulatory & Legal Compliance**
3. **Product Design & Lifecycle Management**
4. **Critical Incident Management**
5. **Supplier Management**

# Business Ethics

Diversified CPC's Code of Business 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 bribery, corruption, extortion, and embezzlement are unacceptable. Diversified CPC's core values drive the company's ethics and compliance, which focuses on employees, customers, ESG, and shareholders.

Diversified CPC has set five clear organization-wide core values (employees, customers, innovation, sustainability, and shareholders), along with five pillars of success (human resources and safety, strategic planning, product development and innovation, operational excellence, and commercial excellence).

To uphold these values and pillars, as well as maintain professional and ethical business operations, our Code

of Conduct (CoC) requirements are part of onboarding and new hire training to ensure each employee is aware of their compliance responsibilities. Specific CoC policies span antitrust, product liability, environmental policies (chemical substance and pollution control, environmental due diligence, and discovery of an issue procedures), international transactions, political contributions, conflicts of interest, bribery, confidential information, accuracy of financial documents, communications and legal proceedings, and intellectual property.


It is the policy of Diversified CPC to maintain a safe and healthy workplace, to operate our facilities in an environmentally responsible manner, and to assure that the utmost care is taken in the manufacture and storage of products.

During the reporting period, the company had no monetary losses due to legal proceedings associated with charges of (1) bribery or corruption; (2) anti-competitive behavior and/or practices.



It is the policy of Diversified CPC to maintain a safe and healthy workplace...





Diversified CPC will meet or exceed all environmental, safety, and other regulatory requirements by auditing our safety and quality systems and implementing corrective actions that permanently close audit findings and improve the development of innovative technologies.

## Management of Regulatory & Legal Compliance

Diversified CPC will meet or exceed all environmental, safety, and other regulatory requirements by auditing our safety and quality systems and implementing corrective actions that permanently close audit findings and improve the development of innovative technologies.

We maintain a close partnership with the California Air Resources Board (CARB) through active participation in industry trade associations. We support technically feasible solutions to lower total VOC emissions in consumer aerosol products and reduce climate change through transitioning from high GWP hydrofluorocarbon (HFC) propellants to (alternative) HFCs and hydrofluoro-olefin (HFO) propellants that have much lower GWP factors. Additionally, Diversified CPC participates in and helps fund the Aerosol Recycling Initiative, which aims to educate consumers about recycling, address data gaps, and increase the acceptance of empty aerosol containers by material recovery facilities. Through this initiative, we work with the Household & Commercial Products Association (HCPA) and the Can Manufacturers Institute (CMI).

A major challenge for most of the liquid petroleum gas (LPG) industry is the fight for a carbon-free environment. A strategy Diversified CPC has taken is to identify risks and opportunities related to legislation, regulation, and/or rulemaking, as well as environmental and social factors that are relevant to our company. These factors are illustrated in the Business Activities Matrix, which considers a select set of business activities that are important to our stakeholders now and into the future. In other sections of this report, additional details regarding risk and opportunities are discussed. We will leverage common sustainable development goals (SDGs) in addressing social and environmental issues listed in the matrix.

### ESG Issues and Diversified PC Business Activities Matrix

Business Activities	Major Risks <i>(enhancement of competitiveness)</i>	Major Opportunities <i>(expansion of earning opportunities)</i>	Material Topics
<b>Regulatory Standards</b>	VOC regulations are driving the aerosol content	DME, 134a, ZE, Blending Aerosol products	<ul style="list-style-type: none"> <li>• Energy Consumption &amp; Greenhouse Gas Emissions</li> <li>• Occupational Health &amp; Safety Labor Practices</li> <li>• Air Quality &amp; Emissions</li> <li>• Management of Regulatory &amp; Legal Compliance</li> <li>• Critical Incident Risk Management</li> <li>• Business Ethics</li> </ul>
<b>Management of Trace Contaminants</b>	We may lose business to lower purity products	We use purification/analytical/logistic management practices to promote The Power of Purity™.	<ul style="list-style-type: none"> <li>• Enhanced Producer Responsibility Laws</li> <li>• Occupational Health &amp; Safety + Labor Practices</li> <li>• Management of Regulatory &amp; Legal Compliance</li> <li>• Waste &amp; Substance Management</li> <li>• Critical Incident Risk Management</li> <li>• Conservation, Biodiversity, &amp; Resource Reuse</li> <li>• Employee &amp; Contractor Training</li> <li>• Business Ethics</li> </ul>
<b>Product Development</b>	Lower impurity products	Refrigeration products will help customers reduce energy consumption, reduce environmental footprint, improve plant operations.	<ul style="list-style-type: none"> <li>• Energy Consumption &amp; Greenhouse Gas Emissions</li> <li>• Management of Regulatory &amp; Legal Compliance</li> </ul>

## Product Design & Lifecycle Management

We encourage utilization of lifecycle analysis to minimize our environmental impact through company efforts to promote recycling of post-consumer use of aerosol products, and manage our lifecycle analysis through:

- **Supply chain management efforts that focus on building relationships with suppliers that uphold our commitment to operational excellence, honoring our core values and supporting our vision for sustainability throughout our operations.**
- **Operational leaders continuously look for methods to reduce environmental impacts associated with our 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 key performance indicators (KPIs). These KPIs are specific to our facilities, operations, and safety priorities to maintain and improve 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.

Innovative developments in products and services that offer environmental and social benefits are encouraged.

## Critical Incident Management

Our business is characterized by significant hazards including the handling, storage, and processing of highly flammable chemicals. In addition to effective process safety management (PSM) practice, Diversified CPC has developed a culture of safety and is dedicated to adhering to our process procedures. We have detailed procedures at all plant locations to ensure compliance with legal requirements. Procedures include:

- PSM Documents & Audits
- Training Plans
- ISO 9001 Quality Management System
- Management of Environmental Safety and Health (MESH) Assessments



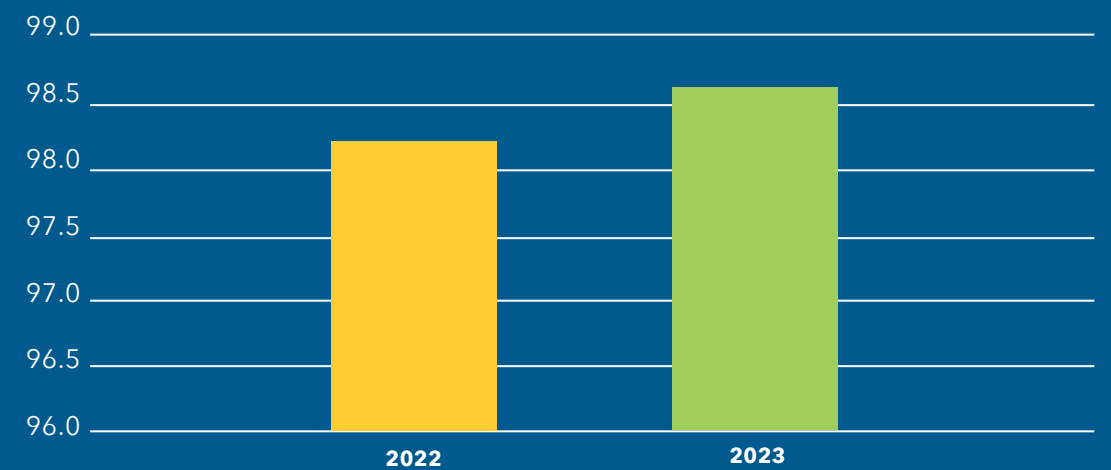
Two of the quality management system key performance indicators (KPIs) we use for identifying, measuring, and managing our operations include one for preventative maintenance (PM) and one to measure our on-time response to corrective action request (CAR).

As illustrated in the graphs to the right, we have outperformed our KPI of 90% during this reporting period. Our maintenance planned work order completion rate averaged 97% during fiscal year 2022. As illustrated in the graph, Diversified CPC averaged a completion rate of 98.8% in fiscal 2023.

Maintenance - Planned Work Order Completion



Maintenance Planned Work Order Completion Rate by Fiscal Year



## Corrective Action Requests

The quality of, and adherence to, our operating procedures is measured by the on-time response rate for corrective action requests (CARs). This KPI is 95%. Fiscal year 2022 is the baseline year, wherein 39 CARs were processed and 38 of the 39 were responded to on time (97.4%). For fiscal year 2023, 38 CARs were processed all were responded to on time (100%).

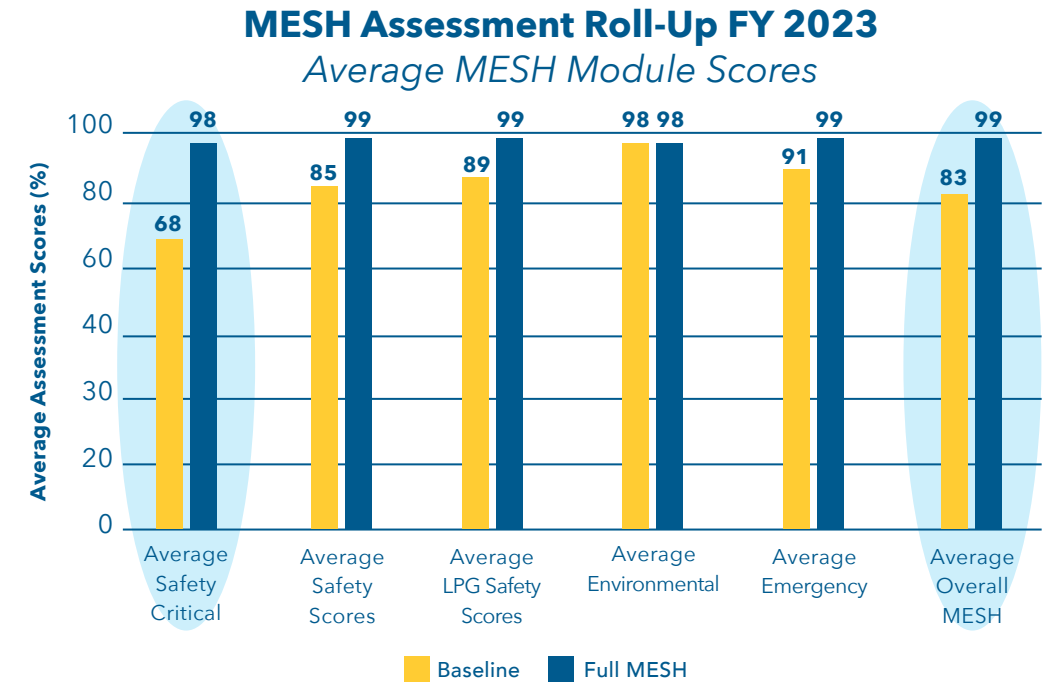
CAR Summary	2029	2028	2027	2026	2025	2024	2023	2022	2021	2020	2019
Total # of CARs	0	0	0	0	0	8	40	32	42	40	35
Total Internal Audits	0	0	0	0	0	0	0	4	2	3	6
Total Internal Other	0	0	0	0	0	0	1	3	8	1	3
Total External Cars	0	0	0	0	0	6	12	1	4	2	1
Total Preventive Cars	0	0	0	0	0	0	0	1	1	1	0
<b>Total Complaint</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>27</b>	<b>19</b>	<b>27</b>	<b>33</b>	<b>25</b>

Total UL	0	0	0	0	0	0	7	4	0	0	0
Response Late	0	0	0	0	0	0	0	0	0	0	0
Response Late	0	0	0	0	0	0	1	1	1	0	0
Timely Response Rate	-	-	-	-	-	100.0%	97.5%	96.9%	97.6%	100.0%	100.0%
<b>Total # of CAR's</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>40</b>	<b>32</b>	<b>42</b>	<b>40</b>	<b>35</b>

Channahon Facility

For fiscal year 2023, 38 CARs were processed all were responded to on time (100%).

Adherence to our safety procedures and practices is measured through our Management of Environmental Safety and Health (MESH) Assessments. During our 2022 fiscal year, 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 the safety critical baseline score.



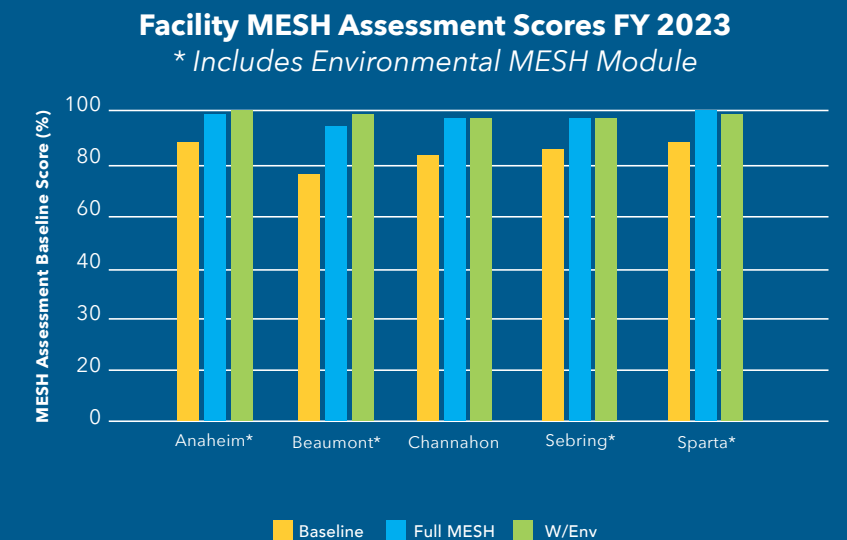
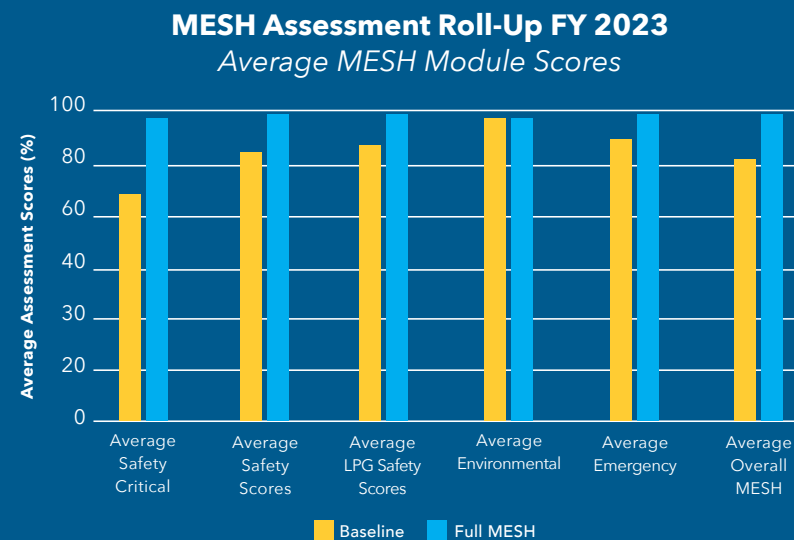
**Fiscal Year 2023**  
**Overall improvement of MESH scores = 19.5% when compared to baseline scores. Improvement of MESH Safety Critical scores = 42.6% increase when compared to baseline score.**

**It is the policy of Diversified CPC International to maintain a safe and healthy workplace, to operate its facilities in an environmentally responsible manner, and to assure that the utmost care is taken in the manufacture and storage of its products.**

To meet this policy, we use tracking tools such as a regulatory checklist to track status on closing regulatory items and a training checklist to track on-time completion of safety, environmental, and human resource training items.



**In May 2023, Diversified CPC was awarded a Bronze Medal by EcoVadis for our Sustainability Program.**



**During fiscal year 2023, Diversified CPC added an Environmental module to its MESH Assessment. Plants assessed during fiscal year 2023 have met or exceeded a 98% conformance rate to the environmental module's compliance questions. During fiscal year 2023, our plant operations maintained a conformance rate of over 98%.**

# Supplier Management

Transparency on supply chain impacts remains a significant challenge, especially in LPG markets. This underscores a need to move from the traditional auditing and compliance approach to supply chain and risk management performance-based models that analyze and identify supplier performance before managing higher risks within the supply chain.

When assessing supply chains and their impacts, Diversified CPC is transparent about the disclosure requirements for our suppliers and business partners, as well as how the company collects and processes data. For example, we survey our supply chain partners on adhering to our human rights policy and invite supply chain

associates to participate in our supplier scorecard. For our 2025 sustainability report, our objective is to illustrate the progress we have made in deploying these risk management performance-based models.

Our risk management performance-based model for our supply chain partners is a supplier scorecard that measures KPIs including:

- **On-Time Delivery**
- **Quality of Products/Services**
- **Cost and Pricing**
- **Relationship Management**
- **Communication Responsiveness**

Our goal is to proactively improve and identify potential disruptions in our supply chain operations.

## Challenges

There is a growing demand for supply chain transparency from stakeholders and data users, including the media, customers, policymakers, and regulators. However, data on supply chain impacts remains a significant challenge. For example, data verification and auditing is essential to avoid fraud in supply chain reporting; however, suppliers may not be able to provide accurate data for companies seeking additional transparency.

### Potential Actions:

- Report on due diligence policies, processes, and management systems that we use to assess risks to people and business.
- Report on actual and potential impacts within the supply chain.
- Adopt a double materiality perspective for reporting and disclose how the company assesses risks to people, the planet, and business.
- Move from a traditional auditing and compliance approach and performance-based supply chain management model to a predictive analysis model that proactively identifies stakeholders in the supply chain at higher risk, preventing potential negative impacts.
- Understand impacts on people by putting workers at the center of supply chain management strategy to understand their needs, direct efforts, and drive meaningful engagement.
- Train and educate buyers on potential negative impacts on the supply chain and sustainable supply chain management practices.

# SASB Index

DISCLOSURE TOPIC	METRIC	METRIC CODE	PAGE REFERENCE / RATIONALE
<b>Air Quality</b>	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.
<b>Energy Management</b>	(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.
<b>Water Management</b>	(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 932,487 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	
<b>Hazardous Waste Management</b>	Amount of hazardous waste generated, percentage recycled.	RT-CH-150a.1	In the Fiscal Year of 2023, our company generated zero hazardous waste.
<b>Product Design for Use Phase Efficiency</b>	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.
<b>Safety &amp; Environmental Stewardship of Chemicals</b>	(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.
<b>Management of the Legal &amp; Regulatory Environment</b>	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.



# GHG Emissions Inventory

**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 4/01/2023 to 3/31/2024.

## 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:

## OPERATIONAL BOUNDARIES

**Are Scope 3 emissions included in this inventory?**

Yes:

No:

**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 2023 represents our second sustainability report. Starting this year, we will 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.

No significant changes to report.



The future is **pure.**



# DiversifiedCPC

INTERNATIONAL



*The* **POWER of PURITY™**

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