

# 20 20 SUSTAINABILITY REPORT UPDATE

PUBLISHED OCTOBER 2021



**Page 19** | Our Capa® S technology helps formulators meet tightening environmental restrictions and enables high-performing end-use products such as wearable technology and car interiors, where soft touch and durability are key.

PURIFY | PROTECT | ENHANCE



## A MESSAGE FROM THE CEO

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I am pleased to present this update to Ingevity's latest sustainability report.

Looking to tomorrow, we are intently focused on growth and view the inherently sustainable nature of our products as a key business strategy to reach our goals. At Ingevity, sustainability isn't a buzzword, tactic or short-lived trend. Beyond serving as a primary business driver, it's who we are and the legacy we'll leave behind. The renewable nature of our raw materials and the significant environmental benefits of our technologies in use give us a competitive edge as we embrace the global imperative to minimize our carbon footprint. We are committed to quantifying the superior quality and value our solutions provide, ultimately showing how Ingevity's efforts have significantly improved our world.

Throughout 2020 and 2021, we have faced myriad challenges due to COVID-19. I'm immensely proud of how our employees came together, day after day, to overcome obstacles, create value for customers and shareholders, and continue to do what we do best: imagine new possibilities. We advanced our four sustainability goals focused on building accountability for our environmental, social and governance (ESG) efforts. And perhaps equally as important, we advanced our IngeviWay culture and further promoted a way of working that is increasingly rooted in and guided by ESG principles.

We believe deeply in safeguarding the health of our planet for future generations and we're well suited to play an important role in the global race to lower harmful emissions. Ingevity's purpose to purify, protect and enhance remains paramount as we work to ensure our longevity by building on our strong reputation as a customer-focused company capable of solving difficult challenges while delivering top-quartile financial performance.

Whether you're an investor, supplier, customer or neighbor in the communities where we are proud to operate, we hope you find value in this update and thank you for your ongoing interest in Ingevity.

Sincerely,

A handwritten signature in black ink, reading "John C. Fortson". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

John Fortson  
Chief Executive Officer





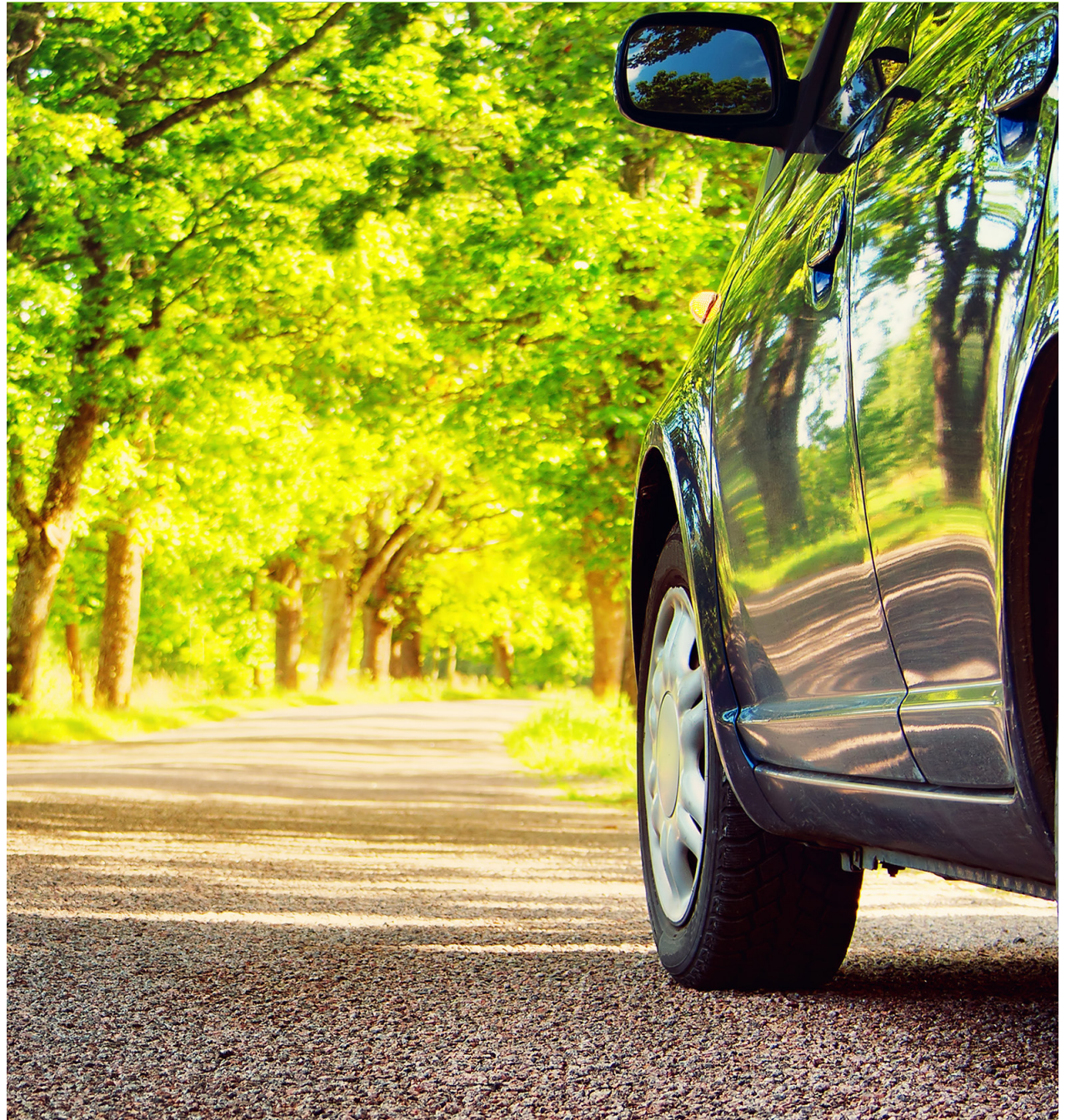
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## WHO WE ARE

At Ingevity, we believe each one of us plays a role in contributing to a sustainable future. Our purpose to purify, protect and enhance the world is at the core of all we do. It is manifested in the environmental benefits delivered by our products, demonstrated in the continuous improvement and efficiency of our manufacturing, reflected in our social, diversity and governance principles, and echoes in the philanthropic initiatives in the communities where we live, work and play. We continue to build on our heritage of developing technologies that make the air we all breathe cleaner, the roads we drive on safer and smoother, everyday plastics biodegrade faster, and crops grow healthier and fuller. Many aspects of life changed throughout 2020 but what remains constant is Ingevity's focus on positively impacting our planet, the people who live here and how we deliver value to stakeholders. Our sustainability report update highlights just some of the ways the Ingevity team enhanced our world in 2020 by embracing challenges and continuing to advance, one novel idea and solution at a time.





AT A GLANCE

# OUR EFFORTS IN 2020



## OUR COMPANY

EMPLOYEES GLOBALLY

1,750

MANUFACTURING  
SITES

9

LOCATIONS

25

TECHNICAL CENTERS

6

WE DO BUSINESS IN

75

COUNTRIES

## OUR PEOPLE

TIER 1 & TIER 2  
PROCESS SAFETY  
INCIDENTS

33% DECREASE  
VS 2019

TRAINING COMPLETED BY  
EMPLOYEES IN OUR LEARNING  
MANAGEMENT SYSTEM

9.6  
HOURS PER EMPLOYEE

23%

OF WOMEN EMPLOYED IN  
STEM ROLES

## OUR BUSINESS

NET REVENUE

\$1.216  
BILLION

ADJ. EBITDA MARGIN <sup>1</sup>

32.7%

\$4.88

ADJ. EARNINGS PER  
SHARE <sup>1</sup>

PERFORMANCE MATERIALS  
REVENUE

\$510  
MILLION

PERFORMANCE CHEMICALS  
REVENUE

\$706  
MILLION

## OUR ESG JOURNEY

ECOVADIS  
SILVER  
RATING

83<sup>rd</sup>  
PERCENTILE

RENEWABLE ENERGY WAS

7%

OF TOTAL ENERGY USAGE

78%

OF OUR REVENUE CAME  
FROM SUSTAINABLE PRODUCTS

\$1.5

MILLION  
CONTRIBUTED TO OUR  
COMMUNITIES VIA INGEVICARES

<sup>1</sup>: See page 119 of our 2020 Annual Report and Form 10-K for the reconciliation of this non-GAAP financial measure to the nearest GAAP financial measure.

## INGEVITY'S COMMITMENT TO SUSTAINABILITY

At Ingevity, we integrate responsible economic, environmental and social principles into our global business strategy and decision making. Our objective is to create value by purifying, protecting and enhancing the world today and into the future. We measure and report our sustainable development goals with global standards prescribed in the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) and in alignment with the United Nations' Sustainable Development Goals (UNSDGs). Working within these frameworks aid in reporting transparency and accuracy in understanding comparative data.

### GRI

GRI standards represent global best practice for reporting publicly on a range of economic, environmental and social impacts and provides information about an organization's contributions to sustainable development. Our report was prepared according to GRI standards.

### SASB

The SASB reporting index can be found at the back of this report. SASB is an ESG guidance framework that sets standards for the disclosure of financially material sustainability information by companies to their investors. In total, SASB standards track ESG issues and performance across 77 industries.

### UNSDG

Ingevity supports the United Nations' Agenda for Sustainable Development and we are actively working toward seven of the 17 UNSDGs to ensure a better and more sustainable future for us all.

The complete index of all GRI and SASB standards and UNSDGs can be found at the back of this report.

## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS





## INGEVITY'S COMMITMENT TO SUSTAINABILITY

Our Pillars of Sustainability house Ingevity's material sustainability objectives and provide a framework that enables the company to fulfill its purpose to purify, protect and enhance the world. At the foundation of all we do is our commitment to operating in an ethical manner with all stakeholders and in every area of our business.

## OUR PILLARS OF SUSTAINABILITY



**Protecting People and the Environment** - Ingevity is committed to protecting people and the environment while utilizing resources in a responsible and sustainable manner.

**Creating Value for Customers and Society** - Ingevity creates innovative solutions that solve the complex challenges of our customers and markets and delivers products that benefit society.

**Engaging Our People** - Ingevity strives to create an inclusive workplace that allows employees to learn, grow and contribute, and provides opportunities for employees to realize their full potential and vital role in the company's long-term success.

**Driving Business Excellence** - Ingevity aspires to improve its economic performance while protecting company assets and proactively mitigating risk in order to ensure the company's longevity.

### Tracking our Progress

In 2020, Ingevity announced its first set of sustainability goals, marking our ongoing commitment to making positive contributions as a global citizen and creating value for our company, stakeholders and employees by conducting business responsibly. These goals focus and track our efforts in four key areas of business, including the societal benefits of our products, greenhouse gas (GHG) intensity reduction, employee engagement and the investment we make in our communities.

We worked steadily toward our goals in 2020. Our progress was slowed in some areas by disruptions from the COVID-19 pandemic and we are focused on the continued work ahead.

## PROGRESS TOWARD GOALS

We will complete an initiative to quantifiably evaluate the societal benefit of our significant product lines by 2022.

42%

Evaluations of our Nuchar and Evotherm product lines, which represented 42% of our revenue in 2020, were completed and released in 2020.

*See more about product evaluations on page 18.*

We will reduce our Scope 1 and Scope 2 GHG emissions intensity by 5% from 2020 to the end of 2025.

0%

While our overall GHG emissions fell by 10% in 2020, our intensity increased as our total production volumes declined due to COVID-impacted demand levels.

*See total energy report on page 11.*

We will conduct an employee engagement survey in 2020 and disclose results of improvement actions by the end of 2022.

50%

Our Gallup employee engagement survey was completed in 2020.

*See the complete Gallup survey report on page 21.*

We will invest \$6 million into our communities between 2020 and 2025.

25%

We invested over \$1.5 million into our communities in 2020.

*See our 2020 IngeviCares programs on page 25.*

PERCENTAGE  
TO  
COMPLETION

These goals align with our commitment to integrating responsible economic, environmental and social business principles into our global business strategy and will continue to guide our strategy as we grow our unique sustainability value proposition.



## LEVERAGING SUSTAINABILITY AS A COMPETITIVE ADVANTAGE

Throughout our Performance Chemicals and Performance Materials portfolios, we are a leader in adding value to products made from renewable materials and in derivatizing technologies that impart desirable environmental benefits in their use. To create a majority of our chemistries, we take crude tall oil from pine trees and hardwood sawdust – both co-products of the lumber, paper and furniture-making industries – and convert them into products that benefit customers, the environment and society.

For the caprolactone-based products in our Performance Chemicals segment – although derived from traditional feedstocks – these solutions enable performance attributes in end-use markets that directly help customers and consumers meet sustainability goals. The superior durability of Capa-based technologies extends product life and helps make materials fully biodegradable.

Put simply: Ingevity's products help customers reduce their ecological impact. Our asphalt emulsifiers enable pavement recycling that reuses up to 100% of existing materials to create longer-lasting roads. Our automotive activated carbon products improve the air we breathe by recovering 8 million gallons of gasoline daily. Our lubricant technologies increase tool life and simplify formulations. And our alternative-fuel vehicle technology enables the use of renewable natural gas as fuel for pickup trucks.

Our business is built on our ability to maximize the value and utility of materials over their lifecycle and we will continue to enhance this value proposition through future acquisitions and new product development.

### PURIFY



**40M**

tons of CO<sub>2</sub> captured annually through recovered gasoline emissions by our activated carbon<sup>1</sup>



**180B**

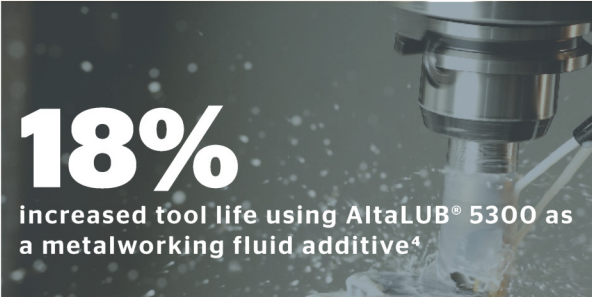
gallons of municipal water treated using our Nuchar® powdered activated carbons in 2020<sup>2</sup>

### PROTECT



**100%**

plastic biodegradability into CO<sub>2</sub> and water after 40 days with no toxic chemicals left using Capa®<sup>3</sup>



**18%**

increased tool life using AltaLUB® 5300 as a metalworking fluid additive<sup>4</sup>

### ENHANCE



**10%**

road life extension with a 1% increase in compaction using Evotherm® warm mix additive<sup>5</sup>



**70K**

miles of reflective traffic striping enhanced with WestRez® resins, increasing driver safety<sup>6</sup>

<sup>1</sup> Calculation based on data from Innovation Origins 2020 CO<sub>2</sub> data

<sup>2</sup> Management estimate based on Ingevity sales data

<sup>3</sup> Percent biodegradation according to European standard outlined in EN 13432

<sup>4</sup> Management estimate based on customer data

<sup>5</sup> Calculation based on 2016 Federal Highway Administration data

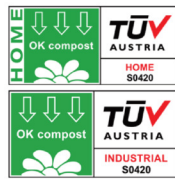
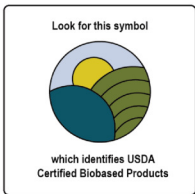
<sup>6</sup> Management estimate based on Ingevity sales data



## WE ARE HONORED TO BE RECOGNIZED



JAPANESE BIOPLASTICS ASSOCIATION  
CERTIFICATION FOR BIODEGRADABLE PLASTICS  
Registration No. A45301-04



CERTIFIED AS BIODEGRADABLE IN INDUSTRIAL  
AND GARDEN COMPOSTING





# 1

## PROTECTING PEOPLE AND THE ENVIRONMENT

### Climate Change

Ingevity recognizes that climate change caused by increasing levels of greenhouse gases poses serious consequences for our planet. As a company dedicated to purifying, protecting and enhancing the world, we're innovating economical and effective solutions to protect the environment. Building on our strong history of imagining new possibilities, collaborating with customers to create high-performing, sustainable products, and innovating cleaner-energy alternatives, Ingevity is actively working to address climate change. We aim to reduce our GHG intensity by 5% by 2025, grow our participation in the renewable energy and fuel landscape, and further reduce the ecological impacts of our products and operations, including greater use of renewable energy.

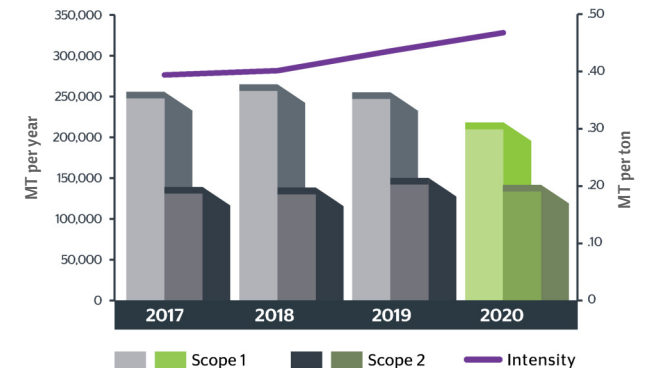
### Total Energy Report Energy Intensity and Conservation

Reducing total energy consumption is fundamental to Ingevity's commitment to sustainable operations. Energy consumption in our manufacturing operations generates Scope 1 and Scope 2 GHG emissions, with Scope 1 emissions produced primarily from combustion of natural gas for certain production processes, Scope 2 emissions generated by electricity use and Scope 3 emissions generated when the product is put into use after production.

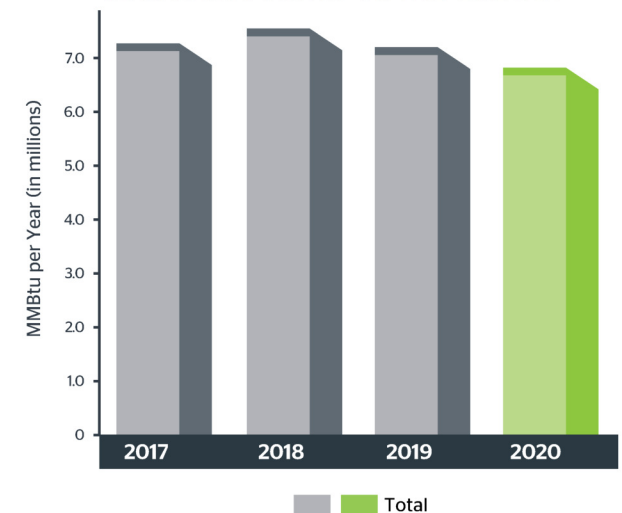
We have outlined goals to reduce Scope 1 and Scope 2 GHG intensity by 5% by 2025. While our overall 2020 GHG emissions fell by 10%, our GHG intensity went up by 6%. The increase in GHG intensity was largely due to the 16% reduction in manufacturing production in 2020 versus 2019 due to demand levels impacted by COVID-19. While many facilities reduced capacity for periods of time during 2020, energy was still required to maintain critical building operations in those locations, and the ratio of reduced output to sustained energy usage drove the increase in GHG intensity for the year.

Capital projects completed in North Charleston, South Carolina, and Crossett, Arkansas, partially offset increases in overall GHG intensity by helping reduce Scope 1 and Scope 2 intensity by 7% at those facilities. 2020 capital projects completed in Waynesboro, Georgia, Wickliffe, Kentucky, and Zhuhai, China for growth of our Performance Materials business adversely impacted Scope 2 GHG intensity by 10% collectively at those facilities.

### MANUFACTURING GREENHOUSE GASES (CO<sub>2</sub>e) SCOPE 1 AND SCOPE 2



### MANUFACTURING TOTAL ENERGY

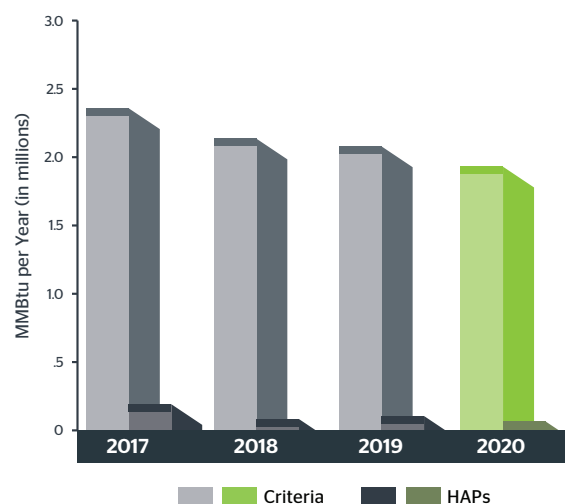


## Air Emissions

The majority of our air emissions are generated as a result of fuel combustion and our usage of clean fuels, such as natural gas, minimizes these emissions. Fugitive and excess gas emissions are controlled by our use of electronic monitoring.

In 2020, Ingevity's criteria air pollutant-reduction initiatives, combined with the overall reduction in production due to COVID-19, resulted in a 9% decrease in pollutants, while we saw a 9% increase in air pollutant intensity. Total energy use initiatives at manufacturing locations, such as burning less natural gas, contributed to the reduction in overall emissions, while significant increases in production at our Wickliffe, Kentucky, plant—our largest consumer of natural gas—contributed to an overall increase in intensity. Hazardous air pollutants (HAPs) made up less than 4% of Ingevity's total air emissions in 2020. More detailed information on our air emissions can be found in our data appendix.

### MANUFACTURING AIR EMISSIONS



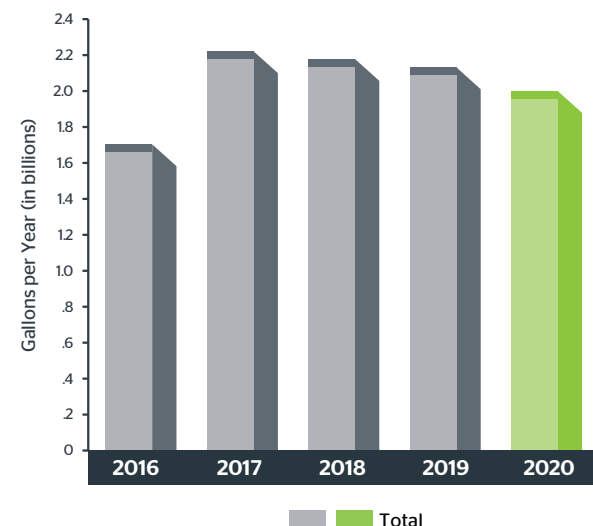
## Water Management

Water is critical to our operations and we have been taking steps to reduce our consumption and water intensity. Ingevity does not operate in water-stressed or water-impaired locations, and our freshwater consumption and effluent volumes remain relatively low compared to industry benchmarks. Ingevity reduced water use and effluent flow from our operations by approximately 8% in 2020, attributable to the reduction in throughput as well as practices that made our operations more efficient with cooling and reusing water in our processes.

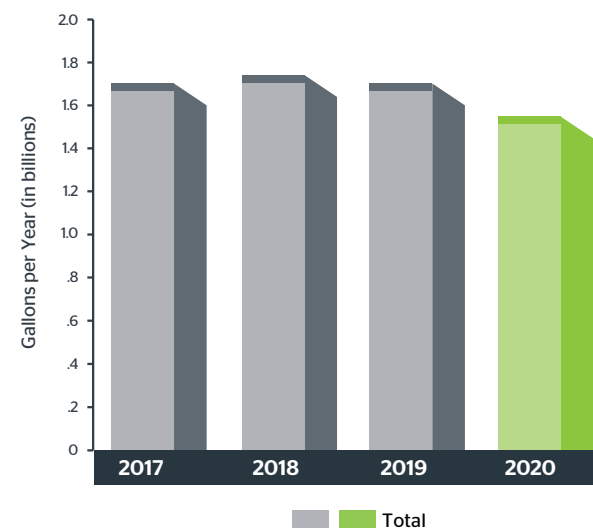
The company's DeRidder, Louisiana, Wickliffe, Kentucky, and Zhuhai, China, facilities own and operate their own wastewater treatment facilities, and our Changshu, China, facility recycles industrial wastewater, making it a zero-discharge facility. Other manufacturing locations discharge effluent water to the wastewater treatment facilities at neighboring paper mills.

All wastewater is treated in accordance with applicable regulations prior to discharge into the environment, and compliance risks associated with our water use are evaluated each year during our environmental management system (EMS) review cycle. More detailed information on our water use can be found in the data appendix.

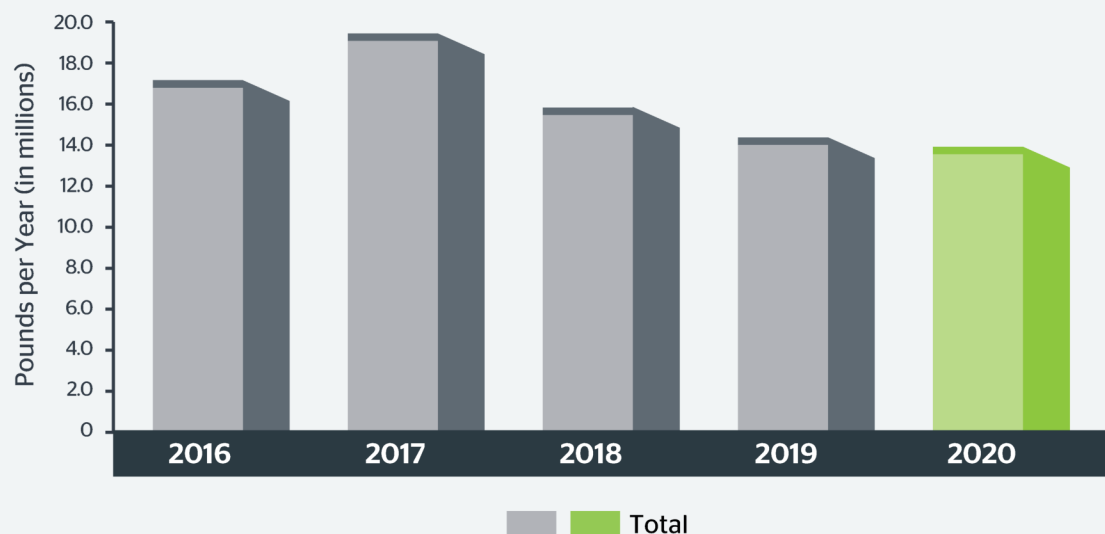
### MANUFACTURING WATER CONSUMPTION



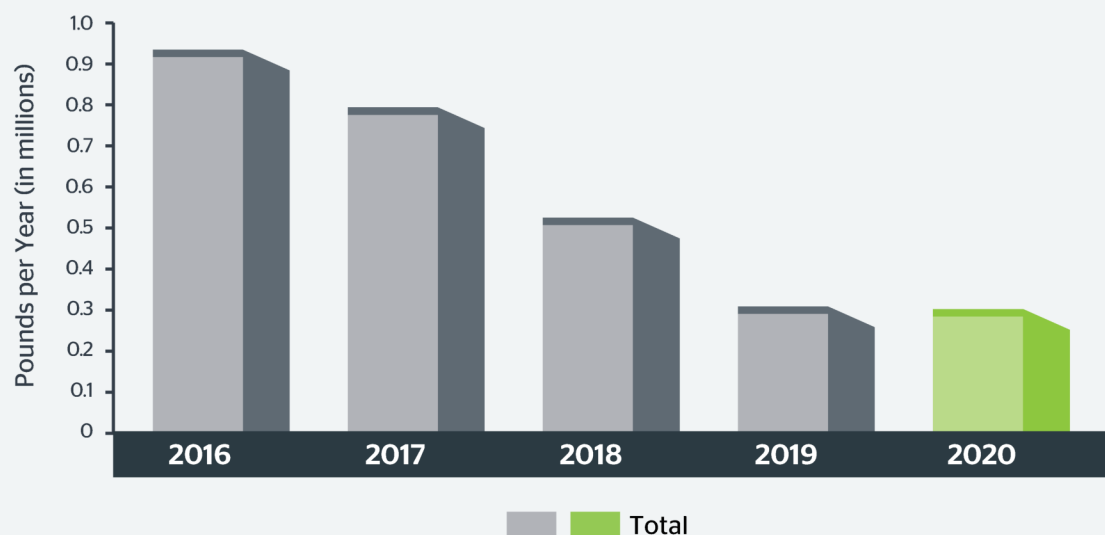
### MANUFACTURING WATER DISCHARGE



### MANUFACTURING NON-HAZARDOUS WASTE DISPOSAL



### MANUFACTURING HAZARDOUS WASTE DISPOSAL



### Solid Waste Disposal

Ingevity has steadily reduced non-hazardous and hazardous waste disposal. We have lowered our non-hazardous waste by 20% and hazardous waste by 68% since 2017. Most of the waste generated at our plants is non-hazardous, with hazardous waste accounting for only 2% of total waste.

Our non-hazardous waste generation and our non-hazardous waste intensity both decreased by 3%. The pandemic-related decrease in overall production as well as capital and process improvements in two of our locations offset potential reduction in intensity by a combined 8% in 2020. These included episodic wastewater treatment plant pond dredging at our DeRidder, Louisiana, facility, resulting in removal of additional non-hazardous waste; and the introduction of processes to weigh non-hazardous waste at our Waynesboro, Georgia, facility, improving accuracy in measuring and reporting.

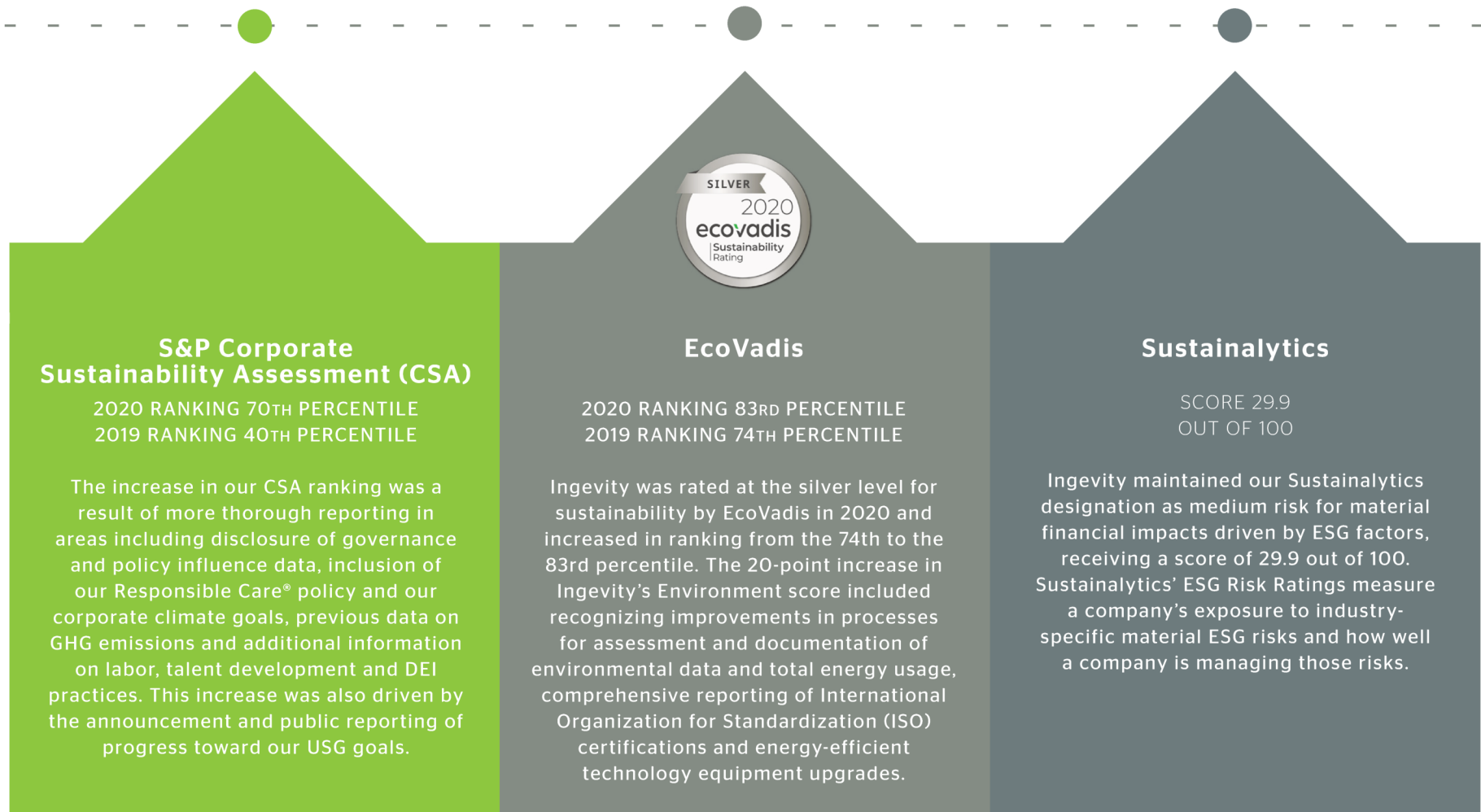
Consistent with our efforts to generate more comprehensive data on our energy usage, planned updates to our data systems in 2021 will provide additional landfill and recycling data, allowing us to measure and track usage.

Additional information on our non-hazardous waste and hazardous waste generation is available in the data appendix on page 34.



## ESG PERFORMANCE RATINGS

Ingevity's commitment to integrating economic, environmental and social principles into our global business strategy includes prioritizing third-party ESG ratings to evaluate our progress and benchmark best practices for sustainable business and procurement practices.



## KEEPING EMPLOYEES SAFE AND SUPPORTING OUR CUSTOMERS

Ingevity met pandemic challenges by mobilizing the resources of our Corporate Incident Support Team (CIST). This task force evaluated and implemented business continuity and crisis plans focused on protecting the health and safety of our employees and essential contractors and maintaining operations to support customers.

### Prioritizing Safety

We implemented work-from-home and social distancing initiatives and the company restricted all non-essential international and domestic business travel. Keeping a people-first focus throughout the rapidly developing situation, employees and their families were offered a variety of non-occupational mental health, first aid and wellness programs, including telehealth services.

### Business Continuity

Our operations and supply chain teams were able to quickly adapt to changes in demand signals from customers in the dynamic, pandemic-impacted market, allowing us to meet demand while keeping costs down. Despite disruptions of COVID-19, both our on-time shipments and shipments in full were up from 83% in 2019 to 93% in 2020, largely due to our relationships with bulk transportation companies and our emphasis on customer service.



Throughout the year, employees demonstrated our IngeviWay spirit by coming together while remaining physically apart and surpassing expectations during challenging times. Employees at our Waynesboro, Georgia, honeycomb scrubber facility stepped up and routinely set new production records to meet strong customer demand. Our team in China stepped in to deliver activated carbon needed to support the manufacturing of specialty ambulances to transport patients with airborne diseases.

We recorded zero non-pandemic related occupational illnesses in 2020; employee illnesses related to the pandemic were attributed, with very few exceptions, to non-occupational exposures to COVID-19.



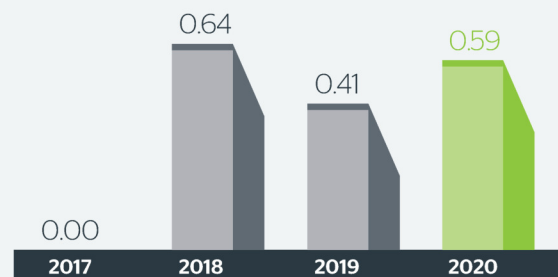
OUR ON-TIME  
SHIPMENTS AND  
SHIPMENTS IN  
FULL WERE UP  
FROM 83% IN 2019  
TO 93% IN 2020



## PERSONAL, PROCESS AND PUBLIC SAFETY

Ingevity has a world-class safety program and a strong safety culture. Personal, process and public safety is a core value at Ingevity. We work hard to protect employees, contractors and the communities where we operate from injuries, illnesses and incidents through the design of safe operations, continuous improvement of personal and process safety performance, management systems and programs, a strong culture of compliance, and a commitment to zero harm to people and the environment.

TOTAL CASE INCIDENT RATE (TCIR)



### Personal Safety - Total Case Incident Rate

Ingevity uses the U.S. Occupational Safety and Health Administration (OSHA) total case incident rate (TCIR) as a standard measure of occupational safety. TCIR multiplies the number of recordable cases by 200,000, then divides that number by the total labor hours worked by Ingevity employees.

The following manufacturing locations completed the entire year in 2020 with

zero employee injuries: Warrington, U.K., Waynesboro, Georgia, Wickliffe, Kentucky, and Zhuhai, China. All global technical centers and offices also completed 2020 with zero employee injuries. As a result of reductions in employee work hours during the pandemic, we saw an increase in our employee TCIR in 2020 compared to 2019, however, U.S. employee TCIR in 2020 achieved second-quartile performance versus all American Chemistry Council (ACC) member companies and our medium-sized benchmark.

All locations, with one exception, completed 2020 with zero contractor injuries, an improvement over 2019, and we completed 2020 with zero significant transportation-related incidents, per the U.S. Department of Transportation's reporting criteria.

We increased reporting of and response to near miss incidents to prevent more serious injuries before they could occur. This included efforts to increase the number of near misses reported and an increase in reporting by a broader number of employees.

We continued to improve safety training, further expanded the use of leading indicators to ensure effective initiatives are proactively implemented, and improved incident investigation quality to ensure contributing factors are appropriately identified and addressed. Employees were trained on the importance of our Life Saving Rules, put in place to prevent fatalities and serious injuries through leadership videos, monthly interactive training packages, and upgraded procedures, checklists, work permits and audits.



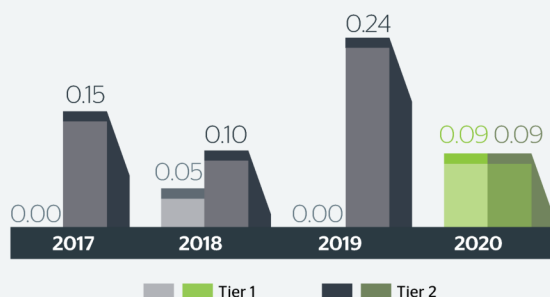
While corporate safety, health and environment (SHE) and Responsible Care Management System (RCMS) audits were conducted remotely due to COVID-19 travel restrictions in place during most of 2020, each location also completed audits at their sites to receive RCMS recertification.

## TIER 1 & TIER 2 PROCESS SAFETY INCIDENT RATE

We define Tier 1 and Tier 2 process safety incidents (PSIs) in accordance with the American Petroleum Institute Recommended Practice 754 (API RP 754), which is consistent with other companies in the ACC. PSI ratings are determined by site management and verified by corporate safety and health management.

In 2020, our combined Tier 1 and Tier 2 PSI was 0.18. The 33% decrease as compared to 2019 represents ongoing efforts to improve mechanical integrity and quality assurance programs at our manufacturing sites. We continued to make progress on the implementation of our upgraded process safety management standard, which provides a clear framework of expectations to drive program consistency and procedure quality, increases employee engagement through broad participation in process safety committees, expands areas where process hazard analysis is required, and increases internal auditing to drive continuous improvement.

### PROCESS SAFETY INCIDENT RATE



In 2020, Ingevity placed heavy emphasis on the 12 Vital Operating Skills shared with manufacturing sites. We covered a different operating skill each month to ensure employees understand the importance of performing skills properly every time.



### Responsible Care®

As a member of the ACC, we subscribe to the Guiding Principles of the ACC's Responsible Care® program, an environmental, health and safety initiative for the chemical industry. We work to continuously improve our health, safety and environmental performance, while communicating to stakeholders about our products and processes. Supporting Responsible Care helps our industry operate safely and profitably for future generations. Read Ingevity's Responsible Care policy available on [ingevity.com](http://ingevity.com).

### Product Stewardship

The key elements of Ingevity's approach to product stewardship come from the ACC's Responsible Care Product Safety Code, which is integrated into all facets of our strategy and throughout our businesses.

In 2020, Ingevity recorded zero incidents involving product regulatory issues, health and safety impacts of our products, or product information and labeling.

*In the interest of compliance and continuous improvement, we focused on the following areas*

- Responding to UK REACH regulations associated with BREXIT and to expanding global REACH regulations in countries such as Korea, Turkey and Eurasia
- Completing the U.S. Toxic Substances and Control Act (TSCA) Chemical Data Report
- Making a more streamlined system for managing product regulatory requests to better respond to customers and internal clients and for management of product-related changes
- Continuing to refine and upgrade our product prioritization/risk analysis matrix
- Completing a successful Responsible Care® audit of all locations in 2020
- Training on various product stewardship and regulatory topics for business, technical and manufacturing teams
- Implementing an improved data management system to further strengthen global reporting, tracking and material management processes
- Expanding the product risk matrix to cover new additions to Ingevity's portfolio of products, due to the acquisition of the Capa caprolactone division of Perstorp Holdings, completed in 2019
- Uploading new product safety summaries onto the Product Stewardship section of our website, [www.ingevity.com](http://www.ingevity.com)
- Making information on our Product Safety Code activities more readily accessible to employees through use of enhanced product stewardship and regulatory-focused SharePoint sites



# 2

## CREATING VALUE FOR CUSTOMERS AND SOCIETY

### Product Evaluations

Evaluating the societal benefits of our significant product lines is paramount to our sustainability goals and we partnered with a third-party firm to conduct the analyses and ensure outcomes were unbiased. We began the process with product evaluations for Evotherm warm mix asphalt technology and Nuchar activated carbon, which together represented 42% of our 2020 revenue.

The studies completed and released in 2020 indicated that the GHG reduction benefits of both products greatly exceeds the Scope 1, 2 and 3 GHG emissions generated from their manufacture and use. ERM's complete Nuchar and Evotherm lifecycle assessment summaries are available at [ingeivity.com/sustainability/product-benefits](https://ingeivity.com/sustainability/product-benefits).

### Evaluations currently in process

**Capa:** Caprolactone technology offers benefits that protect and enhance in a wide variety of markets. Our Capa products are sold for use in adhesives, bioplastics, coatings, elastomers and resins and help compounders and converters produce safer, more sustainable and higher-performing products for their customers.

**WestRez®:** Our WestRez bio-based tackifier adhesive offers broad polymer compatibility and provides superior adhesion to difficult-to-bond surfaces. WestRez is a bio-renewable resource that allows adhesive companies to differentiate their product lines and promote sustainability to end users.

**Polyfon®:** Pine-based Polyfon is used as a primary dispersant in dry and water-based agricultural formulations for crop protection. Polyfon is derived from wood and is eligible for use in Organic Materials Review Institute (OMRI)-certified formulations.

### Developing Growth Opportunities

Ingevity demonstrated its commitment to researching and developing growth opportunities by establishing a dedicated growth and innovation team to identify and capture strategic opportunities to grow our top-quartile specialty chemical company. The team is responsible for driving growth initiatives and developing long-term pathways that use our existing technology and application expertise across our product portfolio.



# 5.4%

OF INGEVITY'S EMPLOYEES  
WORKED IN DEDICATED  
RESEARCH AND DEVELOPMENT  
ROLES IN 2020.





## PRODUCT INNOVATIONS

As a market-leading global specialty chemical company, we are known for utilizing our technical expertise to help customers solve difficult challenges. Strong partnerships are a driver of innovation at Ingevity as we strive to develop value-added solutions that meet and exceed customer expectations. Product launches, partnerships and strategic acquisitions in 2020 created value for our customers and advanced our position in the alternative fuels market.

### Performance Chemicals

Ingevity's Performance Chemicals segment supplies products used in a wide variety of applications that provide value-add benefits to customers in their end-use markets. Products released in 2020 added to our Capa polyurethane elastomers and agricultural chemicals dispersant portfolios, providing high-value, performance-enhancing products for our customers, while also benefitting our environment.

### **AltaHance™ multifunctional retention technology for crop protection**

In February 2020, Ingevity introduced a new bio-based adjuvant product line called AltaHance. A multifunctional retention technology that

decreases pesticide loss due to rain, AltaHance is designed for use in crop protection products to boost penetration and improve the performance of agricultural chemicals, micronutrients and fertilizers. The AltaHance family of products provides flexibility, easier handling and more robust formulations for agricultural chemical producers.

### **Capa® S polyol technology for soft thermoplastic polyurethanes**

Ingevity launched its new Capa S polyol technology for soft thermoplastic polyurethane applications in November of 2020. The Capa S portfolio is designed for use in wearable devices and automobile interiors that are repeatedly exposed to heat, cold, moisture and ultraviolet rays. This new portfolio helps maintain softness and minimize cracking during a product's functional lifetime, simplifies formulations and lowers production costs. Capa S technology is an alternative that allows part manufacturers to be more responsive to industry demands for phthalate-free products due to chemical and toxicity concerns, while also enabling high-performing, end-use products.



## PRODUCT INNOVATIONS

### Performance Materials

#### Commitment to the commercialization of adsorbed natural gas (ANG) vehicle technology

The continued global focus on reducing carbon emissions and enhancing fuel efficiency presents us with a differentiated opportunity to problem-solve with our 40-year history of activated carbon expertise. The unparalleled capture and release capabilities of our hardwood-based Nuchar activated carbons have made the portfolio perfectly suited for use in automotive gasoline vapor emissions control. This same capture-release technology serves as the foundation of our ANG vehicle technology for light-duty trucks and vans, which gained solid ground in 2020.

#### Strategic acquisition of the assets of Adsorbed Natural Gas Products, Inc.

Ingevity acquired the assets of Adsorbed Natural Gas Products, Inc. (ANGP) in May 2020 in order to leverage our in-house technical and marketing capabilities and to streamline and accelerate adoption and commercialization of ANG.

#### Ozinga energy partnership

Ozinga Energy joined a number of U.S. natural gas utilities and private commercial fleets piloting ANG-equipped vehicles in 2020. Ozinga purchased an ANG-equipped Ford F-150 and installed a dedicated, low-pressure fueling appliance at its headquarters in Mokena, Illinois. Ozinga Energy provides public-access CNG fueling for heavy-duty trucks at stations throughout Illinois and California and is interested in further expanding their alternative fuel strategy to their fleet of light-duty trucks.



By producing 25% fewer tailpipe greenhouse gas (GHG) emissions<sup>1</sup> and 90% fewer nitrogen oxide (NOx) emissions than the current standard<sup>2</sup>, driving ANG-equipped trucks provides fleet owners and operators with a fueling solution that advances their sustainability goals. Additionally, up to 125%<sup>2</sup> lower net GHG emissions can be achieved when using renewable natural gas to power ANG trucks.

1. U.S. Environment Protection Agency 2. Natural Gas Vehicles of America

# 3

## ENGAGING OUR PEOPLE

Ingevity's success requires a team-oriented approach to build a culture of collaboration. A highly engaged workforce is vital to business outcomes such as productivity and profitability. Helping our team members realize their full potential plays a role in our company's long-term success and it is one of the many ways we strive to keep our employees involved.

We encourage employees to "fail forward" and be bold, and in 2020 we asked them to participate in a Gallup employee engagement survey to provide candid feedback about their experience working at Ingevity.

### **Gallup Employee Engagement Survey**

First launched in September 2020, the Gallup survey captured employee opinions about Ingevity as a workplace: what we did well and what we could improve. Twenty-seven questions delved into the hierarchy of employee needs at work and evaluated Ingevity's targeted drivers of engagement.

82% of employees participated in the survey, a response rate that places Ingevity in the 63rd percentile for participation versus the chemical industry average, and the 56th percentile when compared to first-time Gallup survey takers.

Responses to key survey items revealed the significance of employees feeling heard and valued, providing guidance for future employee engagement efforts focused on employee opinions and recognition. Managers facilitate engagement work at the team level, and our two-year goal is to earn a statistically significant uptick in at least one of these areas.

Ingevity's partnership with Gallup today continues with biannual check-in surveys. The next full Gallup survey opens to employees globally in February 2022.

### **Learning and Development**

Providing our employees with a variety of learning and development opportunities is integral to our culture. We believe our company's growth will happen as a direct result of growing our people.

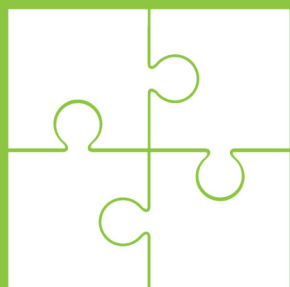
Monthly check-ins between managers and salaried employees provide an atmosphere of ongoing performance feedback and career development discussions. Employee performance is measured against goals, direct contributions and their level of impact on the business. 100% of eligible Ingevity salaried employees were evaluated on their performance using these criteria.

At Ingevity, career development takes many forms. In 2020, employees completed over 17,000 hours of training in our learning management system, averaging 9.6 hours of training per employee. Additionally, specific safety and on-the-job training hours were tracked by plants and business areas. All facilities implemented local community engagement, impact assessments and development programs.

### **Development Opportunities**

- Crucial Conversations for conflict management and communication effectiveness
- "INGage" training for frontline supervisors and engineers, focused on coaching and feedback
- Manager coaching program
- Strategic Selling Skills training for sales employees
- Mentoring program
- LinkedIn Learning courses via our online learning program called "Grow"
- Employee evaluation performance feedback program called "Perform"
- Differentiate program to educate on reducing bias during the employee evaluation process
- Diversity, equity and inclusion cultural awareness training
- Insights Discovery evaluator for employee and team communication effectiveness
- New leader assimilations
- Change management training





## DIVERSITY, EQUITY and INCLUSION



### TOTAL EMPLOYMENT BY REGION & GENDER

Asia Pacific	Female	Male	Not Disclosed
Regular	60	190	11
Brazil	Female	Male	Not Disclosed
Regular	2	8	0
EMEA	Female	Male	Not Disclosed
Regular	25	108	5
Intern/Co-op	0	2	1
International assignee	0	1	0
Part Time	2	0	0
North America	Female	Male	Not Disclosed
Regular	362	971	9
Fixed Term Temp	0	0	0
Intern Co-op	0	2	0
International assignee	1	4	0

### Diversity, Equity and Inclusion

Coming from diverse backgrounds, our people reimagine new possibilities daily, synergizing talents to create meaningful impact and sustainable solutions for customers and our world. At the heart of our efforts, we aim to strengthen capacity for empathy and inclusive leadership, foster a sense of community and belonging, and structure our systems, policies and processes to enable employee success.

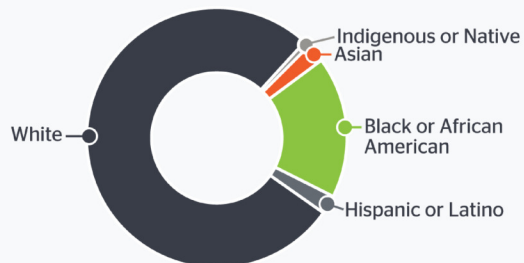
Driven by our cross-functional diversity, equity and inclusion (DEI) task force, we accelerated the implementation of a series of resources and opportunities designed to educate employees on cultural issues and equip them for open and empathetic interactions. Programs in 2020 included the “Our Voices on Racial Injustice” listening series featuring colleagues from across the company, online interactive webinar courses on “Communicating About Culturally Sensitive Issues”, and the “Expanding Our Lens” book club discussing books on culturally relevant topics such as implicit bias.

In 2020, as issues of racial injustice and systemic racism flared in the U.S., the DEI task force and Ingevity leadership developed a mission statement to guide our responses and reaffirm our commitment to be a builder of relationships and a positive force for change.

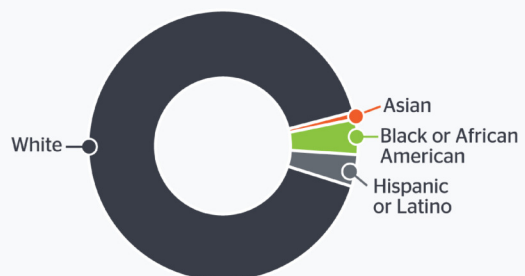
Racism and discrimination, whenever and however they exist, are wrong and will not be tolerated at Ingevity. People are hurting and we share in the pain and grief felt across our country and in every community where we operate and where our employees call home. We recognize racial injustice and systemic racism must be addressed. As a company, we can and should do more to drive meaningful change. Now more than ever, our opportunity is to lean in, listen and learn as individuals, leaders and as a company.

## EMPLOYEE DEMOGRAPHICS

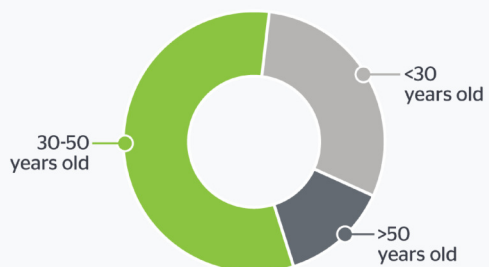
### RACE ETHNICITY AND NATIONALITY (U.S. EMPLOYEES)



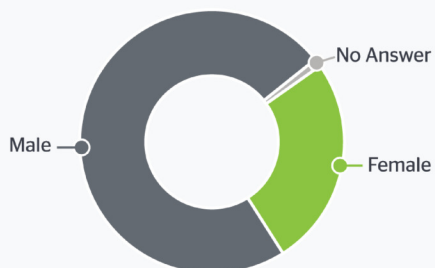
### RACE ETHNICITY AND NATIONALITY IN MANAGEMENT (U.S. EMPLOYEES)



### AGE



### GENDER





## WOMEN'S NETWORK

Women in leadership roles at Ingevity increased to 30% in 2020, up from 23% in 2019, a significant number when benchmarked against the specialty chemicals manufacturing industry's primarily male workforce. We introduced our Women's Network to provide programming that helps women at Ingevity take steps to achieve their goals and find their version of success. A community of women who support each other through similar work-life stages, the Network's mission is to recognize the authenticity and voice of women at work.

Members of the Women's Network include engineers from our U.S. manufacturing sites and play an important role in encouraging the growth of women in STEM roles at Ingevity. They actively participate in the world's largest conference and career fair for women in engineering and technology held annually by the Society of Women Engineers (SWE) and assist in recruiting standout talent at the career fair and interviewing candidates.

“

“Meeting diverse women engineers in our company was priceless. We shared our team-oriented spirit, knowledge, experiences from our jobs and excitement of working for Ingevity with each other and with so many young and eager future engineers.”

“

“I enjoyed the opportunity to promote Ingevity and help inspire young engineers to look at their careers more broadly, where they can be great contributors beyond traditional operating fields.”

“

“Candidates were most interested in the sustainability aspect of our company. When we told candidates that Ingevity's purpose is to purify, protect and enhance the world, they became more engaged in their conversations.”



**27%**  
OF EMPLOYEES  
AT INGEVITY ARE  
**WOMEN**

WOMEN  
IN MANAGEMENT  
**30%**

**25%**  
WOMEN IN  
TOP MANAGEMENT

WOMEN IN COMMERCIAL  
MANAGEMENT  
**25%**

**23%**  
WOMEN IN STEM

## INVESTING IN OUR COMMUNITIES

### IngeviCares

Ingevity seeks to be a positive influence in the communities where we operate and our employees and their families live. We implement our IngeviWay vision through charitable giving, matching gift programs, educational scholarships and employee volunteer programs that are essential to our company culture and our business operations.

Our IngeviCares philanthropy program, launched in 2017, focuses our charitable giving and community involvement in three areas: sustainability, education and human health and well-being. Our goal is to invest \$6 million into our communities between 2020 and 2025, and we donated over \$1.5 million in 2020.

IngeviCares sets targets for corporate philanthropy, focuses on supporting keystone initiatives, encourages employee giving through our matching gifts and United Way campaigns, and provides budgets to all manufacturing locations to be used for plant-level funding tailored to each community.

### Keystone Initiatives

Ingevity partners with many nonprofit organizations while also forming long-term, multi-year partnerships with our keystone initiatives. In 2020, 100% of Ingevity facilities engaged in community involvement programs. From China to the U.K., to our locations in the U.S., we have a strong presence in our communities.

## KEYSTONE INITIATIVES WHERE WE OPERATE



### ASIA PACIFIC

Shanghai Roots and Shoots Million Tree Project



### COVINGTON, VIRGINIA

Boys Home and SafeHome Systems



### CROSSETT, ARKANSAS

Boys and Girls Club of Ashley County



### DERIDDER, LOUISIANA

June Jenkins Women's Shelter



### NORTH CHARLESTON, SOUTH CAROLINA

Metanoia, Lowcountry Food Bank & South Carolina Aquarium



### WARRINGTON, UNITED KINGDOM

St. Rocco's Hospice



### WAYNESBORO, GEORGIA

YMCA & Wimberly House Ministries



### WICKLIFFE, KENTUCKY

Family Focus



## INVESTING IN OUR COMMUNITIES



### SUSTAINABILITY

#### Sea Turtle Care Center

In 2020, Ingevity donated \$50,000 to the South Carolina Aquarium's Sea Turtle Care Center. The center treated 28 sea turtles and released 25 back into the wild during 2020. One third (32%) of the sea turtles released had ingested various forms of plastic, from balloons and micro plastics to food packaging materials and Ingevity's donation supported triage and treatment of turtles as they were rehabilitated and released.



### HUMAN HEALTH AND WELL-BEING

#### Lowcountry Food Bank

Employees from Ingevity's North Charleston, South Carolina, facilities supported the Lowcountry Food Bank by participating in Fresh for All farmer's market-style distributions of fruit and vegetables. In 2020, the need for the Lowcountry Food Bank to fill in the gaps for families' food budgets was exacerbated by COVID-19, and financial assistance provided by Ingevity purchased 151,963 pounds of food, provided 126,636 meals, and fed 3,360 families, averaging 280 families per month.



#### United Way

Local United Ways have been a mainstay among Ingevity's charitable giving initiatives for many years. The organization's focus on financial stability, education and health creates much needed positive and long-term change.

In 2020, through a combination of employee pledges and employer gift matching, Ingevity donated over \$1 million through Trident United Way for the sixth consecutive year. Additionally, when Trident United Way launched its Response Fund to help those negatively impacted by COVID-19, Ingevity donated \$10,000 to provide support for Charleston area residents not able to work due to the pandemic.

Challenging times in 2020 called for innovative approaches to volunteerism. While in-person events were cancelled, our team still participated in United Way's Day of Caring in safe, social distanced ways. The team led a virtual high school career fair, donated school supplies and personal protective equipment to students at local elementary schools, provided gifts to Charleston-area senior citizens, created kindness rocks with positive messages to be placed around the community and penned thank-you cards for teachers and healthcare workers.

### EDUCATION

#### Ingevity Leader Scholarship Program

Continuing our commitment to education, Ingevity awarded over \$60,000 in scholarships to 31 high school seniors who demonstrated exceptional leadership abilities and a commitment to making a positive impact in their school and community. We awarded 24 scholarships to students pursuing a STEM-related field of study.

#### Shanghai Roots and Shoots Organic Garden

Ingevity employees in China supported the Shanghai Roots and Shoots Organic Garden, helping students at local schools build and tend to an organic garden and teaching students about sustainable agriculture. Ingevity also donated 5,000 trees to the Million Tree Project, a program that raises awareness of ecological preservation and climate change.


# 4

## DRIVING BUSINESS EXCELLENCE

### Ingevity 2.0

The inception of Ingevity 2.0 in 2020 marked a new era in Ingevity's strategic approach to growth. Introduced by CEO John Fortson, the initiative aims to place greater emphasis on customer-centricity and innovation, drive further organic growth by optimizing technology-driven customer relationships, and demonstrate value by leveraging sustainability as a competitive advantage.

#### INGEVITY 1.0

 Completed successful spin-off into publicly traded company	 Drive further organic growth by leveraging technology-driven customer relationships
 Executed to opportunity for Performance Materials in U.S./Canada and China	 Continue to improve top line across the businesses by focusing on derivatized, high-margin products
 Drove Performance Chemicals margins from 13% to 23%	 Build on our heritage of innovation
 Organized around our roots as a sustainable company and established a dedicated Sustainability function	 Use sustainability as a key competitive advantage and demonstrate value to customers
 Established as a leading specialty chemicals company with over 30% adjusted EBITDA margins	 Leverage favorable macro-trends

### Supplier Diversity and Sustainability

Sourcing products and services from diverse base of suppliers helps to sustain and progressively transform our competitiveness. Our global supply chain includes small business, minority, women, disabled and veteran-owned businesses. To quantify our efforts to diversify our supply chain, we track the amount of overall spend in those categories, and in 2020, approximately 5% of our total spend was with diverse suppliers.

Ingevity believes that sustainability implies a responsibility to involve our direct and indirect suppliers and contractors in our pursuit for economic performance, environmental quality and social responsibility in our own company, as well as in our supply chain. Ingevity's suppliers are encouraged to have active supplier diversity programs and support the businesses and communities where Ingevity operates by engaging with a diverse categories of suppliers.

### Continuous Improvement

In 2020, Ingevity began Project Mosaic, a two-year enterprise-wide digital transformation of our business systems to equip our people with optimal processes and technology, and more efficiently and effectively connect our supply chain, manufacturing and businesses. Mosaic was designed to support Ingevity's sustainability goals and focuses efforts on transitioning to a new system analysis program, SAP S/4HANA, with digital capabilities to support our diverse and growing business needs now and well into the future.

Over the course of the project, we expect to make a significant investment, with the goal of enabling Ingevity to maintain our competitive position as a top-quartile chemical company and an automotive technology partner of choice. We anticipate streamlined costs and processes in the areas of sourcing and procurement, logistics and transportation, maintenance, supply chain and order management.

Mosaic aligns with our continuous improvement commitment to advancing performance excellence at all levels of operations. S/4HANA will automate capabilities, enhance information visibility, modernize internal controls, and infuse agility in business models and integrating acquisitions.



## INTELLECTUAL PROPERTY

Intellectual property (IP) is a key outcome of one of Ingevity's strongest assets; the innovations of our people. Our IP rights includes patents, trade secrets, technical papers, contracts, strategic partnerships and proprietary know-how. How we protect those assets is key to maintaining our technology leadership and competitive edge.

We actively create, protect and enforce intellectual property rights. Our Performance Materials segment has over 40 years of experience with automotive gasoline vapor emissions control and we use that knowledge to solve our customers' current and future requirements. We have been granted patents for product and process developments that are both novel and consistent with trends in the technological development of internal combustion vehicles, and trends in the automakers' needs to meet their current and future emission requirements.

In Performance Chemicals, Ingevity has a diverse patent portfolio within its businesses. Our Evotherm line of warm mix asphalt additives that enable paving to occur despite a variety of challenging conditions is supported by numerous global patents. Our caprolactone business and related technologies are also supported by several global patents and trademarks as well as proprietary and technical know-how.





## CYBERSECURITY

Advances in technology and the shift toward more remote work spurred by COVID-19 in 2020 brought new information protection challenges. As a result, Ingevity identified cybersecurity as a key enterprise focus for the company. Our information security team collaborated with local, state and federal agencies and peers in the chemical manufacturing industry to identify the latest threats and implement effective defenses to protect our employees and customers. This approach was designed to support our global business operations, enhance production and drive innovation while protecting trade secrets, confidential information, privacy data and underlying infrastructure.

Ingevity further reinforced our cybersecurity posture through collaboration with strategic partners, providing threat detection and monitoring services, including a global cybersecurity incident response team. We remained diligent in conducting vulnerability assessments, tracking cyber-related performance metrics and training our employees on protective measures such as encrypting sensitive data and recognizing phishing attempts.

We provided monthly updates on cybersecurity risks to senior leadership and semiannual updates to our board of directors.



## FINANCIAL PERFORMANCE

Our financial strategy looks to capture value for shareholders by creating value for our customers, expanding our geographic reach, accelerating innovation, pursuing strategic and value-creating acquisitions, driving continuous improvement and maintaining a returns-oriented financial focus. Our financial performance is measured in many ways, with particular focus on four metrics.

- Revenue as the measure of total value provided to our customers
- Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA), as a measure of current earnings capability
- Free cash flow as a measure of our ability to reinvest in the company or return capital to shareholders
- Net debt ratio as the measure of leverage

Our Performance Chemicals segment delivered mixed results in the face of demand weakened by COVID-19, particularly in oilfield and industrial specialties applications. Sales to engineered polymers and pavement technologies customers grew slightly buoyed by continued adoption of our Evotherm.

Slight growth in pavement technologies sales buoyed by strength in North America and moderate growth overseas. Our engineered polymers business held steady as we launched a new innovation center and completed a significant reactor replacement project to support future growth in this chemistry. Revenues for Performance Chemicals were down 12% and segment EBITDA was down 19% versus the prior year.

Our Performance Materials segment delivered record revenue and earnings as the team adapted to the strong decline and then snap-back in global automotive production. This required the Performance Materials team to skillfully manage global production planning, inventory and logistics. Revenues for Performance Materials were up 4%, while segment EBITDA was up 17% versus 2019.

In light of the global macroeconomic headwinds created by COVID-19, our financial performance overall was resolute. Revenues for the year were \$1.216 billion, down 6%. Our adjusted EBITDA<sup>1</sup> of \$398 million was even with the prior year. Adjusted EBITDA margin<sup>1</sup> accreted to 32.7% of sales, up approximately 200 basis points from 2019.

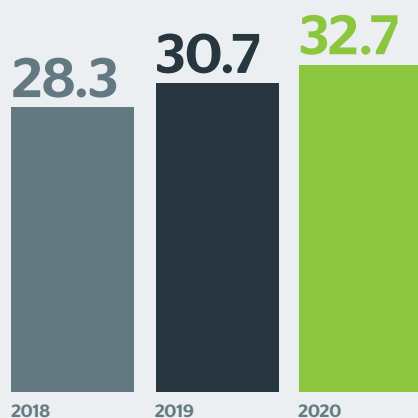
Free cash flow<sup>1</sup> was strong at \$270 million. Trade working capital was lower than the previous year by \$31 million. Our balance sheet remained strong. In 2020, we restructured our debt profile and sold \$550 million of senior unsecured notes. We ended the year with net debt ratio<sup>1</sup> of 2.45x, which was back in our 2.0 - 2.5x target net debt ratio range. We also returned value to shareholders in the form of share repurchases. In February, our board authorized \$500 million in share repurchases. In the year, we bought back \$88 million, leaving \$412 million remaining from the authorization.

1: See page 119 of our 2020 Annual Report and Form 10-K for the reconciliation of this non-GAAP financial measure to the nearest GAAP financial measure.



## FINANCIAL HIGHLIGHTS

### ADJUSTED EBITDA MARGIN<sup>1</sup>



### NET DEBT RATIO<sup>1</sup>

**2.45x**

### ADJUSTED EARNINGS PER SHARE<sup>1</sup>

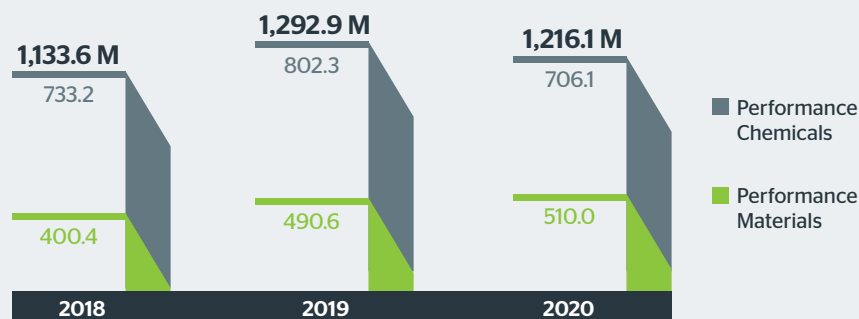
**\$4.88**

1: See page 119 of our 2020 Annual Report and Form 10-K for the reconciliation of this non-GAAP financial measure to the nearest GAAP financial measure.

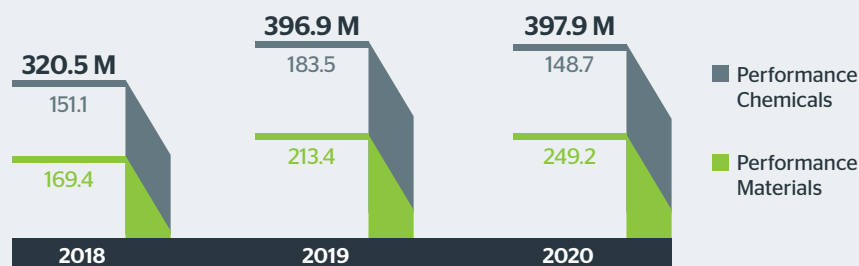
### TOTAL SHAREHOLDER RETURN (JANUARY 1, 2020 TO DECEMBER 31, 2020)



### TOTAL REVENUE IN MILLIONS (U.S. \$)



### TOTAL ADJUSTED EBITDA IN MILLIONS (U.S. \$)<sup>1</sup>





## GOVERNANCE

As a publicly traded company, Ingevity is governed by a one-tiered system of eight board members, seven of whom are independent. We recognize that strong corporate governance contributes to long-term stockholder value and are committed to sound governance practices. The board actively oversees the development and execution of our strategies, including those related to business, operations and finance, as well as strategies focused on legal and regulatory matters, corporate responsibility and sustainability, shareholder engagement, innovation and protection of intellectual property, cybersecurity, talent development and executive succession.

The board, acting as a full board and through its committees, oversees risk management on behalf of the company. Our board believes it has in place effective processes to identify and oversee the material risks facing the company. The company's risk management processes are regularly refreshed, including priorities and planned remediations, and management reports regularly to the board on these processes.

Ingevity's Corporate Governance Guidelines are available online and outline the company's governance structure.



## OUR BOARD AT A GLANCE

Our board of directors is committed to ensuring that it has the right mix of skills, background and tenure, experience and diversity, and has established four committees to assist it with the performance of its responsibilities: audit, executive, leadership development and compensation, and nominating, governance and sustainability.

### BOARD OF DIRECTORS



**JEAN BLACKWELL** ●●●  
Chairman of the Board, Former Exec.  
Vice President and CFO, Cummins Inc.



**MIKE FITZPATRICK** ●●●  
Exec. Advisor Partner at Wind Point  
Partners, Inc.



**DIANE GULYAS** ●●●  
Former President, DuPont Performance  
Polymers at E.I. du Pont de Nemours  
and Company



**FRED LYNCH** ●●●  
Operating Partner, AEA Investors, LP,  
and Former CEO and President at  
Masonite International Corporation



**LUIS FERNANDEZ-MORENO** ●●●  
Sole Manager and Member at Strat and  
Praxis LLC



**KAREN NARWOLD** ●●●  
Exec. Vice President, Chief  
Administrative Officer and General  
Counsel at Albemarle Corporation



**DAN SANSONE** ●●●  
Former Exec. Vice President, Strategy at  
Vulcan Materials Company



**JOHN FORTSON**  
Ingevity president and CEO  
Named to the board in 2020

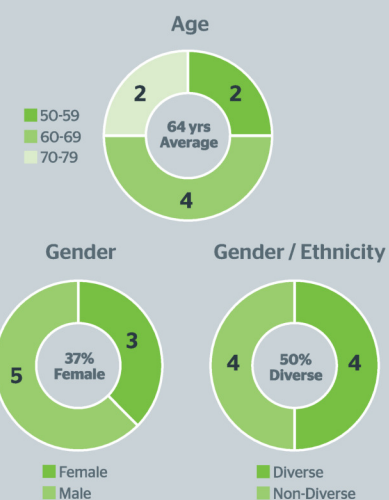
#### COMMITTEE KEY

- Audit Committee
- Executive Committee
- Leadership Development and Compensation Committee
- Nominating, Governance and Sustainability Committee



**RICK KELSON**

We were saddened at the passing of former chairman Rick Kelson in February 2021. His leadership through challenging times in 2020 was vital toward enabling the company to perform well beyond expectations. And perhaps most importantly, his wisdom and warmth were critical to the foundation and success of Ingevity since our spin-off from WestRock in May 2016.

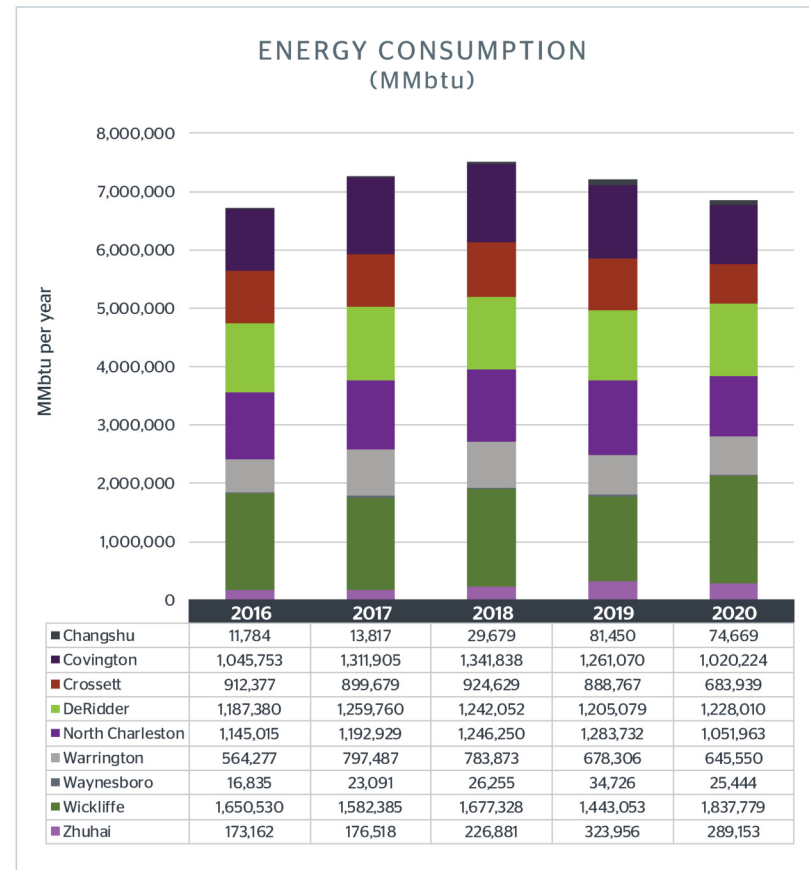




## ENERGY

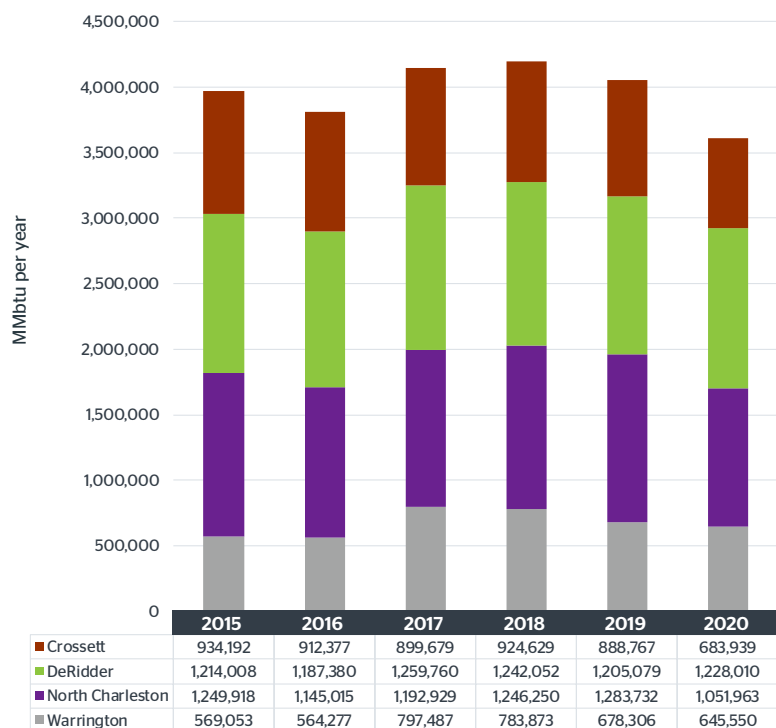
# DATA APPENDIX

The data scope of information for the Environmental issues charts is limited to Ingevity manufacturing locations.



## ENERGY (CONTINUED)

PERFORMANCE CHEMICALS ENERGY CONSUMPTION  
(MMbtu)



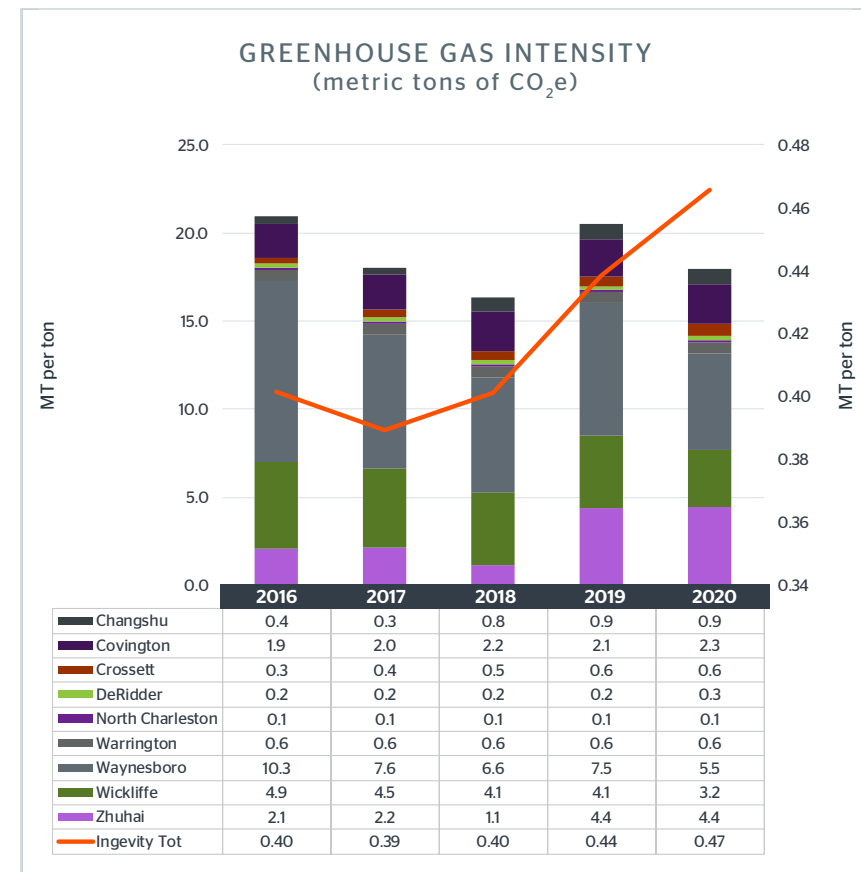
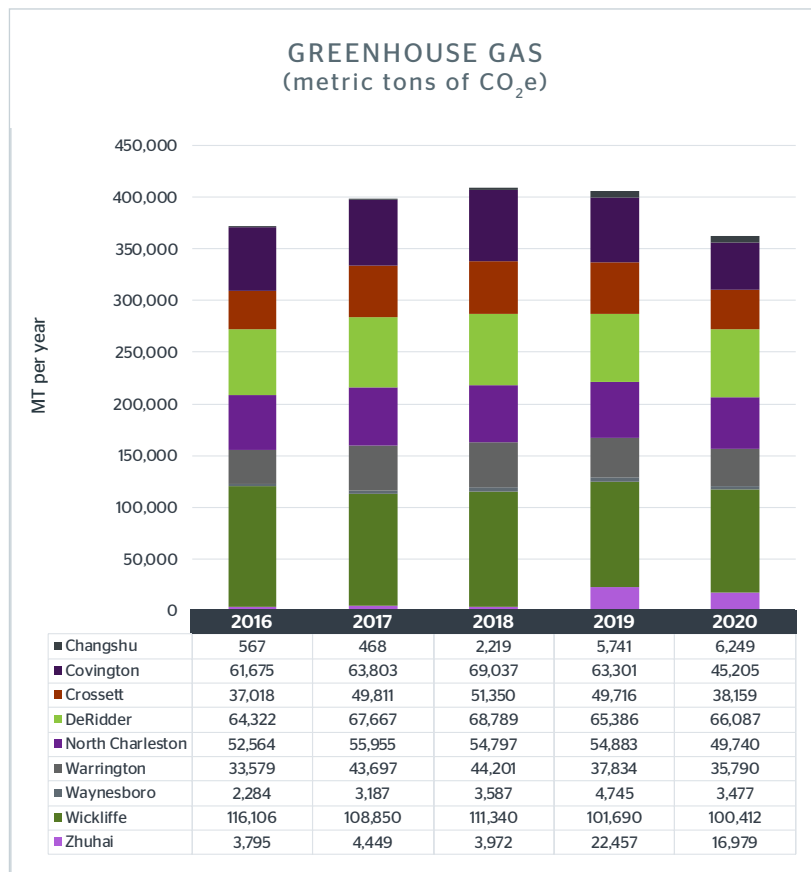
PERFORMANCE MATERIALS ENERGY CONSUMPTION  
(MMbtu)





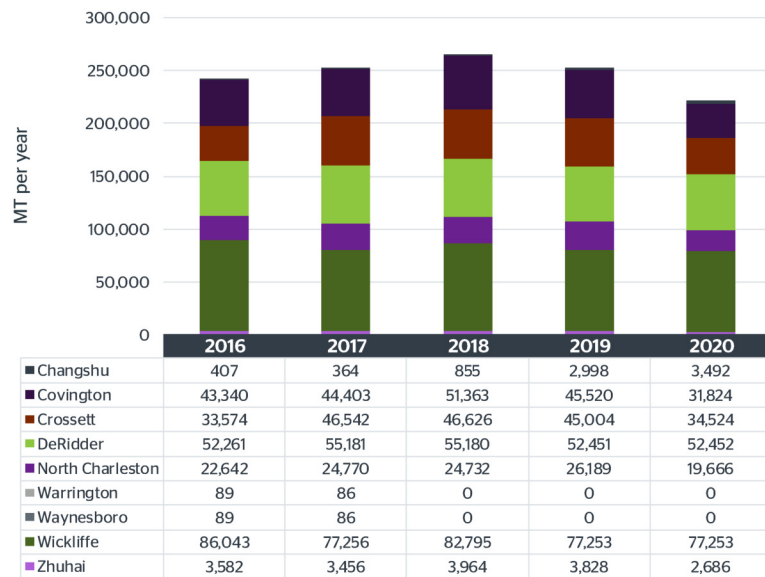
## GREENHOUSE GAS

Our goal is to reduce GHG intensity by 5% by 2025. Our goal equals .40 metric tons of CO<sub>2</sub>e per ton of product. While our metric shows we went up in 2020 versus 2019 we believe our long-term efforts to reduce GHG emissions will be successful.

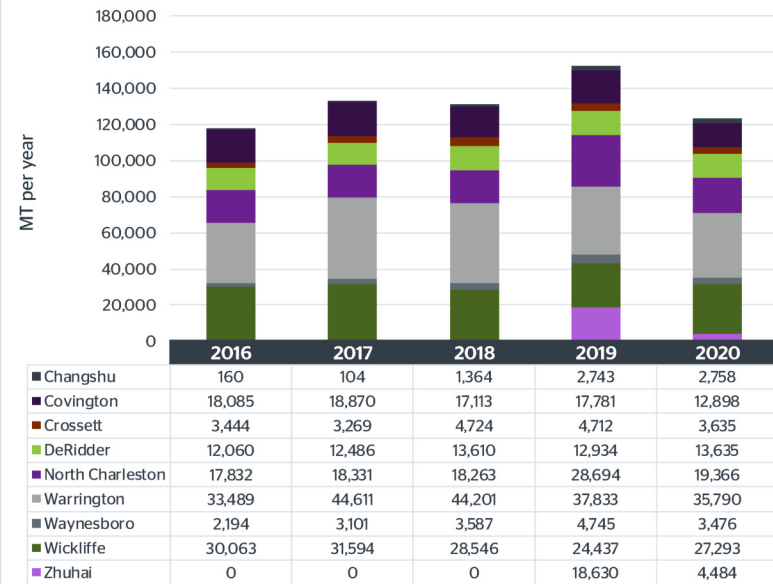


## GREENHOUSE GAS (CONTINUED)

**SCOPE 1 GREENHOUSE GAS**  
(metric tons of CO<sub>2</sub>e)



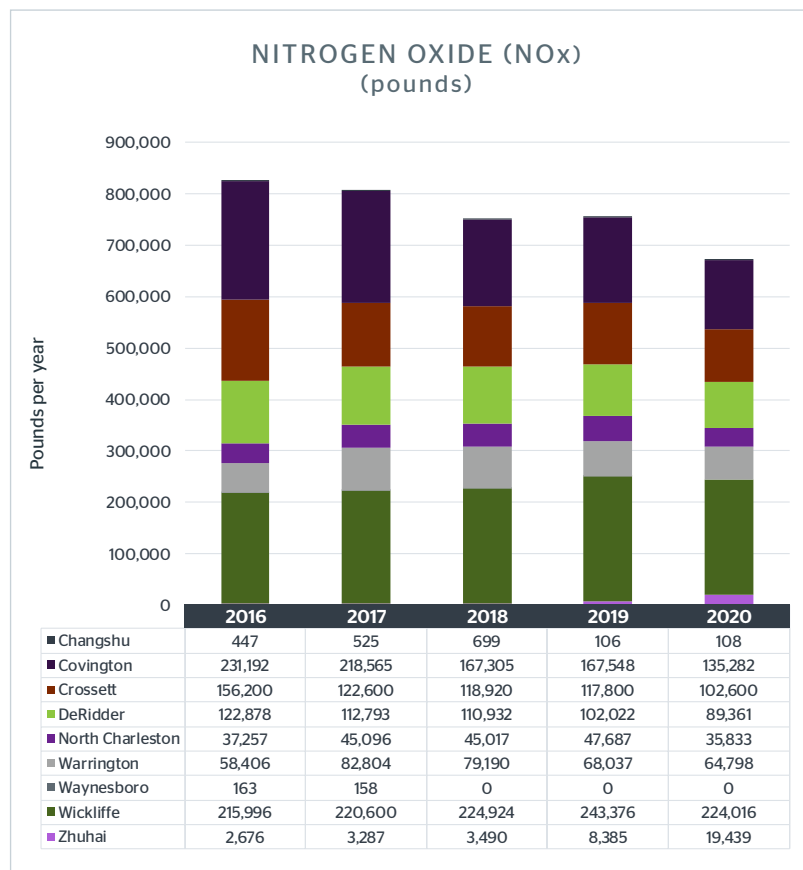
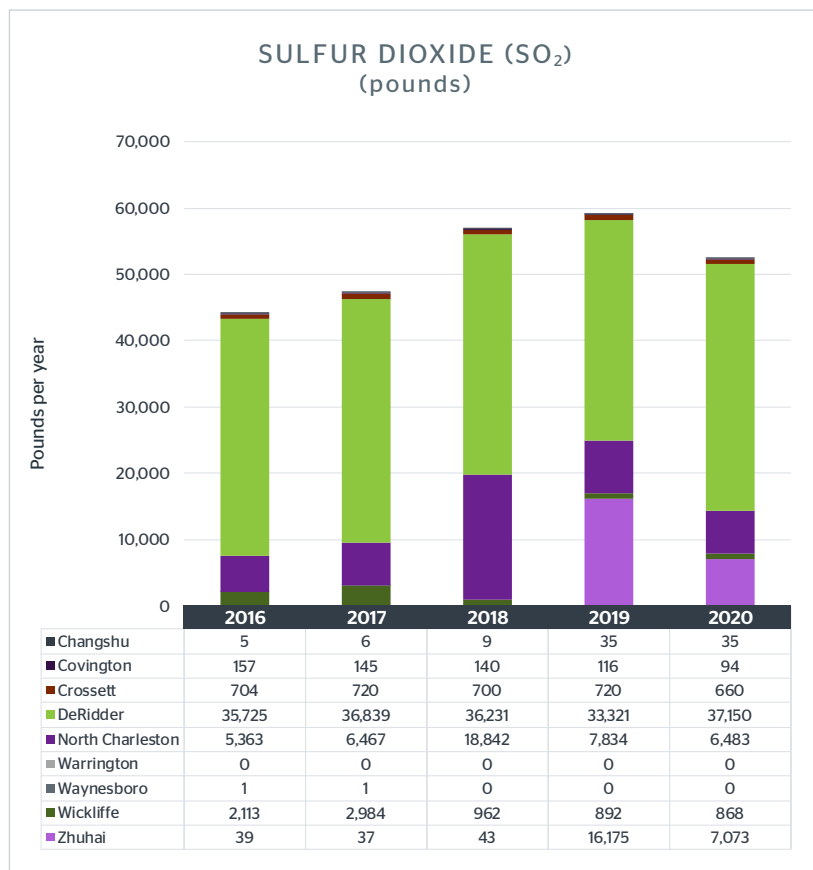
**SCOPE 2 GREENHOUSE GAS**  
(metric tons of CO<sub>2</sub>e)



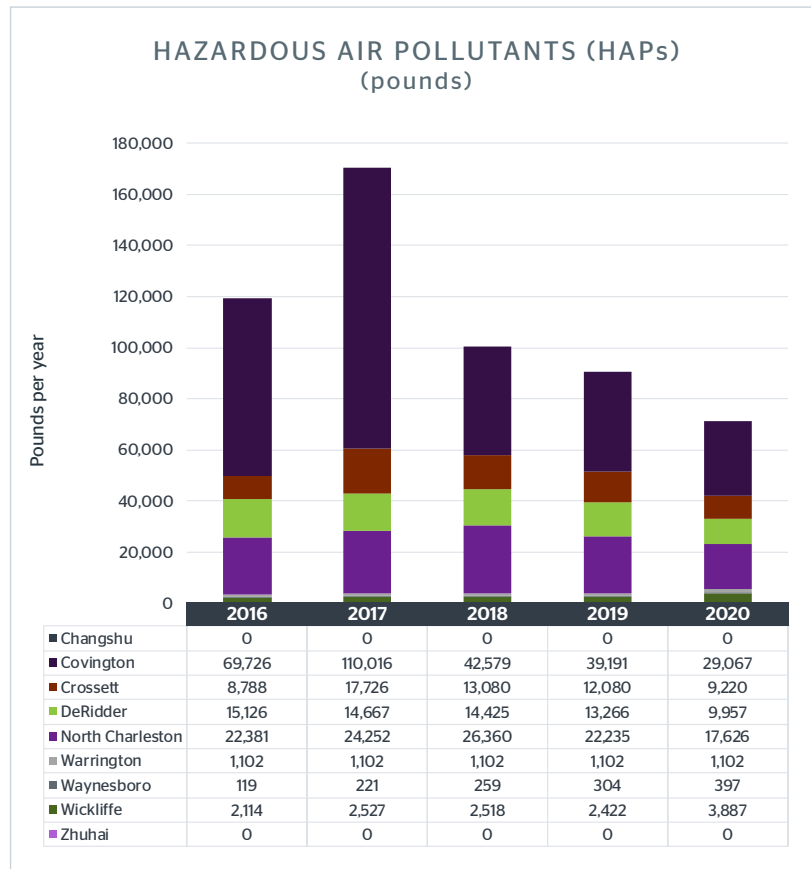
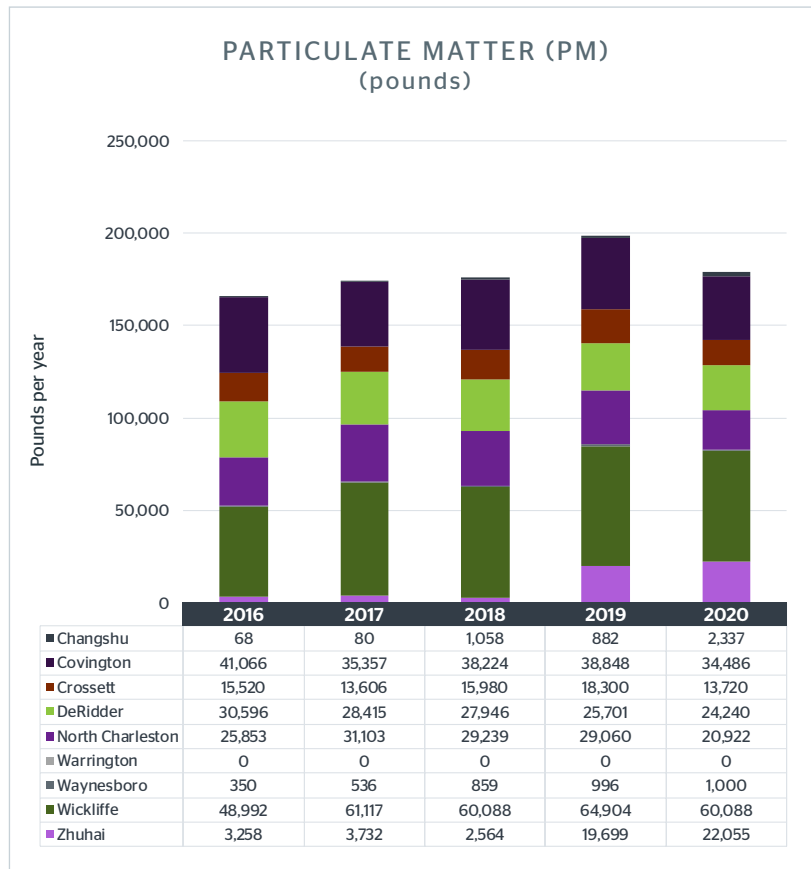


## CRITERIA POLLUTANTS

Overall criteria pollutants fell 8.94% in 2020 versus 2019. Decreases were attributable to capital improvements as well as COVID-related impacts.

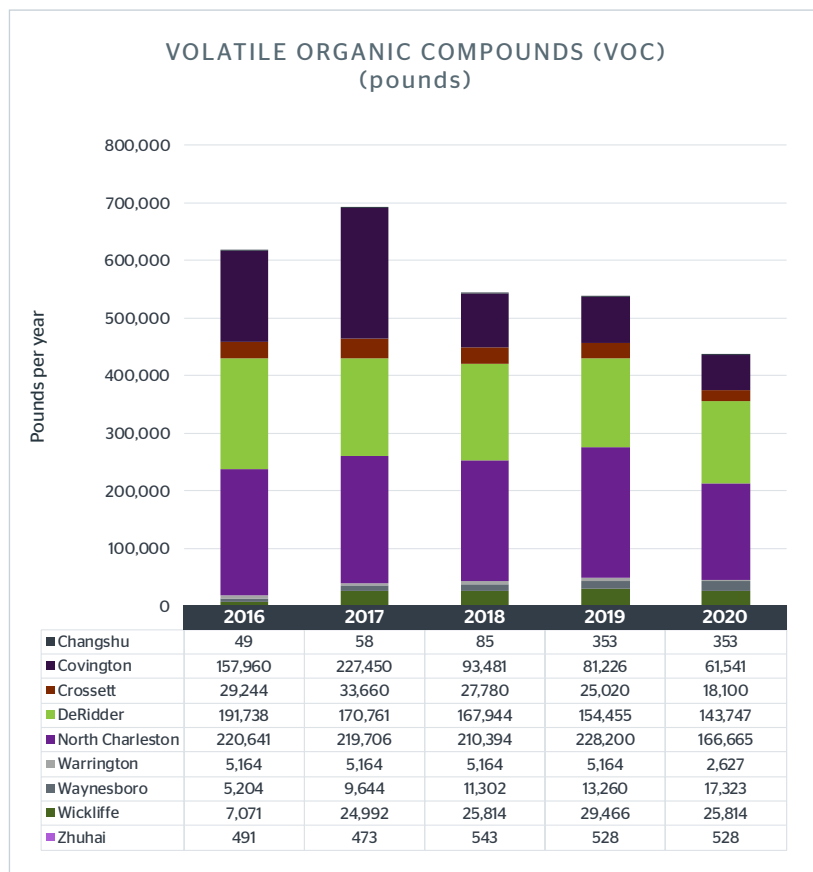


## CRITERIA POLLUTANTS (CONTINUED)



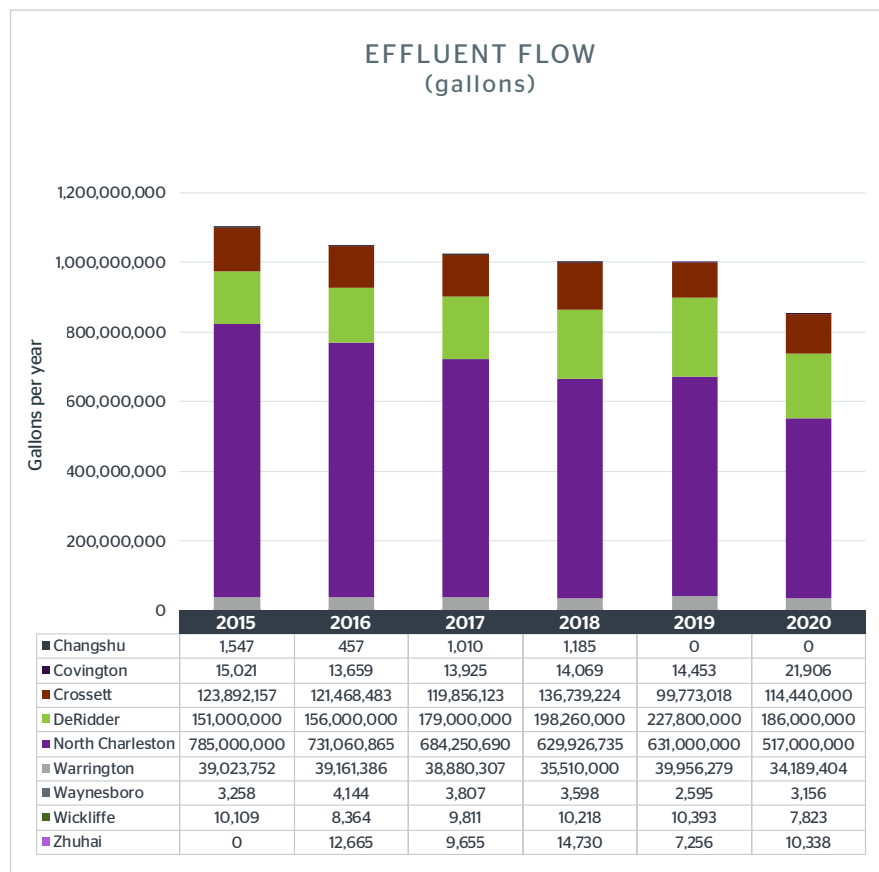


## CRITERIA POLLUTANTS (CONTINUED)



## WATER

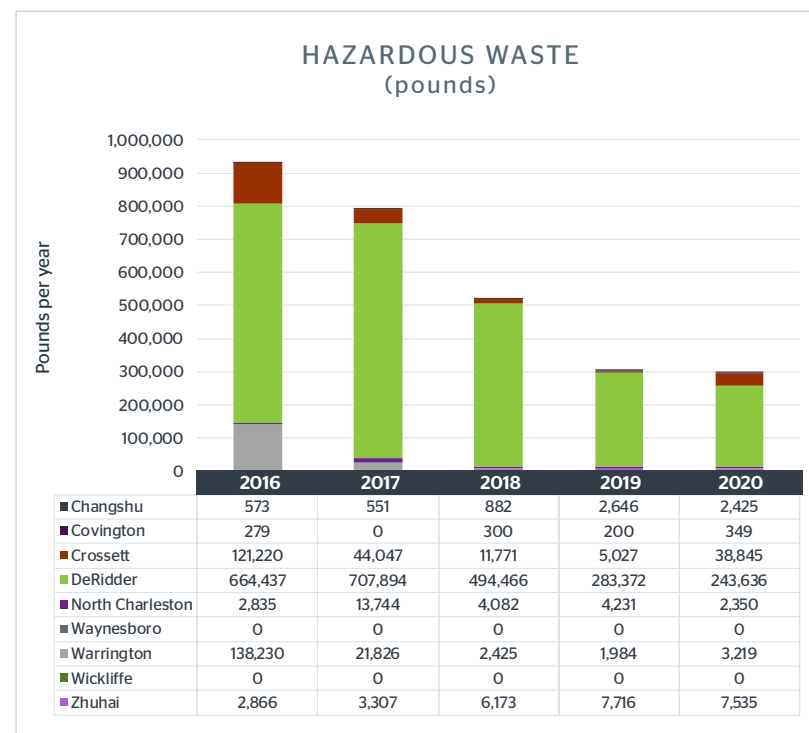
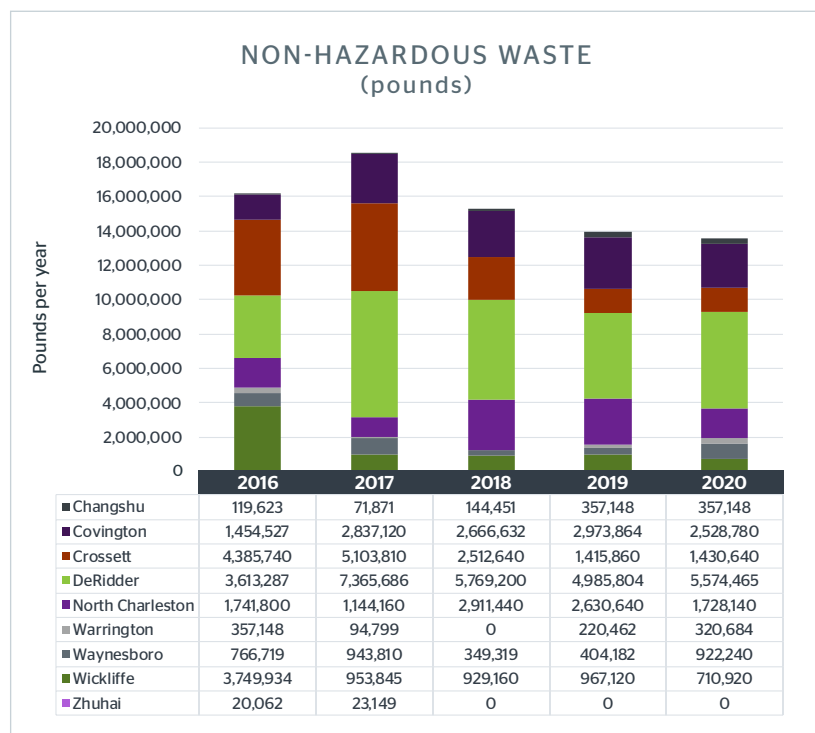
Ingevity saw a decrease in water discharge of 8.87% in 2020 versus 2019. Decreases were attributable to capital improvements as well as COVID-related impacts.





## WASTE

Our efforts to improve our operations and reduce scrap has helped reduce our non-hazardous waste in 2020 by 2.74% versus 2019. Decreases were attributable to capital improvements as well as COVID-related impacts.



## Forward-looking statement

This Sustainability Report Update contains forward-looking statements about Ingevity's financial and non-financial results, estimates and business prospects that involve substantial risks and uncertainties. You can identify forward-looking statements by the use of words such as "anticipate," "estimate," "expect," "aim," "project," "intend," "plan," "believe," "will," "should," "could," "target," "forecast," and other words and terms of similar meaning in connection with any discussion of future operating, financial performance, or business plans or prospects. In particular, such statements may include, but are not limited to:

- statements which may relate to the purpose, ambitions, aims, commitments, targets, plans and objectives of Ingevity's sustainability goals;
- financial data or information derived from Ingevity's filings with the Securities and Exchange Commission (the "SEC");
- environmental, health and safety data as such information relates to Ingevity's business and sustainability objectives; and
- social data relating to employees, social practices and community engagement from various databases, some of which are not controlled and cannot be fully verified by Ingevity.

Forward-looking statements are based on certain assumptions and expectations of future events and trends that are subject to substantial risks and uncertainties. Actual future results and trends may differ materially from historical results or those reflected in any such forward-looking statements, depending on a variety of factors and circumstances, many of which are outside the control of Ingevity.

The company assumes no obligation to update any forward-looking statements contained in this report as a result of new information or future events or developments.

The term "material" used in this report is used to refer to relevant sustainability topics which potentially merit inclusion in this report and that can reasonably be considered important for reflecting our environmental, social and governance goals and performance. "Material" for the purposes of this report should not, therefore, be read as equating to any use of the word in filings that Ingevity has made or will make with the SEC.

No part of this Sustainability Report Update constitutes, or shall be taken to constitute, an invitation or inducement to invest in Ingevity or any other entity and must not be relied upon in any way in connection with any investment decisions. With respect to information regarding Ingevity's financial condition and results of operations, along with disclosure regarding the most significant risk factors affecting our company, please refer to our filings with the SEC, including our Annual Report on Form 10-K for the year ended December 31, 2020 and our subsequently filed reports, which filings are available from the SEC.



# GRI INDEX

Ingevity's 2020 sustainability report update is defined by its material issues, stakeholder interests, business priorities and the requirements of the Global Reporting Initiative's (GRI) Standards, core option. Ingevity self-certifies that the information contained in this index and data appendix is as accurate and inclusive as possible as based on the management systems that were in place prior to January 1, 2021. This Index also is aligned with the SASB standard for chemicals. This index indicates where to find the relevant information within this report, and references three other sources of company information: 2019 Sustainability Report released in August 2020; which is referenced as 2019 CSR , 2020 Ingevity Annual Report and Form 10-K, which is referenced as Annual Report; and 2021 Ingevity Proxy Statement - Notice of Annual Meeting of Shareholders, which is referenced as Proxy.

## General Disclosures

### GRI Number Disclosure – Report Section/Link – Page Number

#### Organizational Profile

<b>102-1</b>	<b>Name of the organization</b> – Please refer to About Ingevity inside cover and page 5 of Annual Report.
<b>102-2</b>	<b>Activities, brands, products, services</b> – Please refer to About Ingevity inside cover and page 5 of Annual Report.
<b>102-3</b>	<b>Location of headquarters</b> – North Charleston, South Carolina, United States
<b>102-4</b>	<b>Location of operations</b> – Please refer to About Ingevity inside cover and Page 27 of Annual Report. We operate manufacturing facilities in China, the United Kingdom, and the United States.
<b>102-5</b>	<b>Ownership and legal form</b> – Please refer to About Ingevity inside cover and page 1 of Annual Report. The company is traded on the New York Stock Exchange (NYSE: NGVT). For more information, visit <a href="http://www.ingevity.com">www.ingevity.com</a> .
<b>102-6</b>	<b>Markets served</b> – Please refer to About Ingevity inside cover and Pages 5-12 of Annual Report.
<b>102-7</b>	<b>Scale of the organization</b> – Please refer to About Ingevity inside cover and Pages 5-12 of Annual Report.
<b>102-8</b>	<b>Information on employees and other workers total employment by region and gender</b> – Information in the table below was compiled from Ingevity HRIS as of December 31, 2020

#### TOTAL EMPLOYMENT BY REGION & GENDER

Asia Pacific	Female	Male	Not Disclosed
Regular	60	190	11
Brazil	Female	Male	Not Disclosed
Regular	2	8	0
EMEA	Female	Male	Not Disclosed
Regular	25	108	5
Intern/Co-op	0	2	1
International assignee	0	1	0
Part Time	2	0	0
North America	Female	Male	Not Disclosed
Regular	362	971	9
Fixed Term Temp	0	0	0
Intern Co-op	0	2	0
International assignee	1	4	0



102-9	<b>Supply chain</b> — Please refer to pages 6-12 of Annual Report.
102-10	<b>Significant changes to the organization and its supply chain</b> — On August 24, 2020 Ingevity announced that John Fortson was appointed CEO and Director of Ingevity Corporation, effective September 1, 2020.
102-11	<b>Precautionary principle or approach</b> — Ingevity has not formally adopted this terminology; our company mission is to purify, protect and enhance the world through our operations and products. When it comes to the company's operations, Ingevity is not satisfied merely meeting local requirements. The company also takes great effort to invest in the safety of our employees and communities. The company is striving to reduce its environmental impact and further enhance our manufacturing facilities. In addition, the company identifies risks within our 2020 Annual Report on pages 12-26.
	<b>External initiatives</b> — Product stewardship/Environmental Protection
102-12	The key elements of Ingevity's approach to product stewardship comes from the American Chemistry Council's Responsible Care® Product Safety Code, which is integrated into all facets of our strategy. Ingevity's senior leadership, businesses, technical, operations, risk management, supply chain, communications and other functional teams play roles in ensuring product stewardship is shared by all employees, and a key consideration in our actions across the organization. In addition, Ingevity joined with industry peers in the DOE Better Plants/Better Facilities Program to reduce our GHG footprint from our operations. Ingevity also began using the U.N. Sustainability Development Goals (UNSDGs) as a basis for goal setting; you will see more information on the UNSDGs within our report.
102-13	<b>Membership of associations</b> — American Chemistry Council, Abiquim, Pine Chemicals Association, Adhesive and Sealant Council, Manufacturer of Emission Controls Association, National Asphalt Pavement Association.
<b>Strategy</b>	
102-14	<b>Statement from senior decision-maker</b> — John Fortson see 2020 Sustainability Report Page 2
<b>Ethics and Integrity</b>	
	<b>Values, principles, standards and norms of behavior</b> — Our conduct is governed by our commitment to the IngeviWay, our Code of Conduct and our Supplier Principles of Conduct.
102-16	The IngeviWay: please refer our public website: <a href="https://www.ingevity.com/the-ingeviway/">https://www.ingevity.com/the-ingeviway/</a> Our Code of Conduct: please refer to our public website: <a href="https://ir.ingevity.com/corporate-governance/codes-of-conduct/default.aspx">https://ir.ingevity.com/corporate-governance/codes-of-conduct/default.aspx</a> Our Supplier Principles of Conduct: please refer to our public website: <a href="https://www.ingevity.com/principles-of-conduct/">https://www.ingevity.com/principles-of-conduct/</a>
102-17	<b>Mechanisms for advice and concerns about ethics</b> — Our Code of Conduct has a mechanism to advise on and to report ethics issues. Our Code of Conduct: please refer to our public website: <a href="https://ir.ingevity.com/corporate-governance/codes-of-conduct/default.aspx">https://ir.ingevity.com/corporate-governance/codes-of-conduct/default.aspx</a>
<b>Governance</b>	
102-18	<b>Governance structure</b> — The Board of Directors oversees the company. The duties of the Chair and standing board committees (Executive Committee, Audit Committee, Leadership Development and Compensation Committee, Nominating, Governance and Sustainability Committee) are laid out in the documents in the Governance section on <a href="https://ir.ingevity.com/corporate-governance/corporate-governance-documents/default.aspx">ingevity.com</a> ( <a href="https://ir.ingevity.com/corporate-governance/corporate-governance-documents/default.aspx">https://ir.ingevity.com/corporate-governance/corporate-governance-documents/default.aspx</a> ) and in the Proxy pages 9-15. The Board of Directors and its committees are involved on an ongoing basis with the oversight of the company's material enterprise related risks (pages 12-26 of the Annual Report). The board committees receive frequent updates from senior leaders who have functional responsibility for managing those risks.



## Stakeholder Engagement

102-40, 102-41, 102-43, 102-44

**Stakeholder engagement** – Ingevity works with, customers, shareholders; employees (including those represented by organized labor unions) and contract workers; suppliers of all sorts; state and national regulators; environmental and other interest groups; local and national charities; local communities and civil society as a whole. Stakeholders are identified in several ways, via the company's leadership on their everyday duties and through the company's updated vision, mission and values.

RT-CH-210a.1

Most engagement is through everyday contact with the groups, companies, suppliers, employees and others who Ingevity works with in its pursuit of fulfilling the company's vision, mission and values. Frequency of these engagements are as needed to support the vision, mission and values of Ingevity. In preparation for this report, Ingevity personnel engaged with an external supplier, Ingevity employees and Ingevity leadership.

RT-CH-210a.1

Ingevity engages with customers through surveys and discrete meetings regarding product performance and environmental benefits of our products. In 2020 we released two product studies that described the environmental benefits of Nuchar and Evotherm. We engage our employee base on a regular basis, and in 2020, we conducted an employee Gallup survey, and additionally asked questions regarding the company's COVID-19 response. We also engaged with our investors in a survey in 2020. Our investors raised issues associated with some of the risks and opportunities that our products provide society. We engage with the community through our IngeviCares program.

STAKEHOLDER	METHOD OF ENGAGEMENT	KEY TOPICS RAISED
Customers / shareholders	Face-to-face meetings, individual engagements, quarterly conference calls	Product reliability and performance individual engagements, conference calls, topics that impact earnings
Employees / contract workers	Surveys, town halls, online poll questions, face-to-face meetings	Safety, talent management, diversity and inclusion, health and well-being
Suppliers	Conferences, face-to-face meetings, individual engagements	Product reliability and performance, price, availability, cost, working conditions
State / national regulators	Conferences, face-to-face meetings, individual engagements	Pace and implementation of regulations
Environmental / interest groups	Conferences, face-to-face meetings, individual engagements	Climate change, resiliency, circular economy
Local / national charities	Conferences, face-to-face meetings, individual engagements	Environment, education, equality of opportunity
Local communities	Community meetings, face-to-face meetings, individual engagements	Focus groups environment, education, equality of opportunity

102-44

**Key topics and concerns raised** – Please refer to key topics raised in GRI 102-43

102-41

**Percentage of total employees covered by collective bargaining agreements** – We currently employ approximately 1,750 employees, of whom approximately 76 percent are employed in the U.S. Approximately 20 percent of our employees are represented by domestic (i.e., U.S.) labor unions under various collective bargaining agreements ("CBA"). We engage in negotiations with labor unions for new CBAs from time to time based upon expiration dates of agreements and statutory requirements. We consider our relationships with all salaried, union hourly and non-hourly employees to be positive and collaborative.

Reporting Practice		
102-45	<b>Reporting practices</b> — Annual Report Page 5: <a href="https://s23.q4cdn.com/855317798/files/doc_financials/2020/ar/2020_NGVT_Annual_Report_and_Form_10-K.pdf">https://s23.q4cdn.com/855317798/files/doc_financials/2020/ar/2020_NGVT_Annual_Report_and_Form_10-K.pdf</a>	
102-46	<b>Reporting practice defining report content and topic boundaries</b> — 2019 CSR Pages 9-10 <a href="https://www.ingevity.com/uploads/page-pdfs/Sustainability-Report-2020_Final-1.pdf">https://www.ingevity.com/uploads/page-pdfs/Sustainability-Report-2020_Final-1.pdf</a> The information within our report is bound by the operational scope of our manufacturing locations and their management.	
102-47	<b>List of material topics</b> — 2019 CSR Page 10 <a href="https://www.ingevity.com/uploads/page-pdfs/Sustainability-Report-2020_Final-1.pdf">https://www.ingevity.com/uploads/page-pdfs/Sustainability-Report-2020_Final-1.pdf</a>	
102-48	<b>Restatements of information — Data Enhancements</b> Previously reported environmental data has been adjusted as a result of efforts to improve data quality. <ul style="list-style-type: none"><li>■ The safety, health and environment data disclosed in this report includes 100% of our manufacturing locations.</li><li>■ The scope 1 and scope 2 greenhouse gas (GHG) emissions by location; we had previously reported on GHG emissions at an enterprise level.</li><li>■ This report now contains data for key environmental topics by location; we had previously reported on these key environmental topics at enterprise level.</li></ul>	
102-49	<b>Changes in reporting — N/A</b> — There have been no significant changes regarding Ingevity’s material topics and topic boundaries in 2020.	
102-50	<b>Reporting period</b> — Calendar year 2020	
102-51	<b>Date of the most recent report</b> — August 2020	
General Disclosures		
GRI Number	Disclosure — Report Section/Link — Page Number	
Stakeholder Engagement		
102-52	<b>Reporting frequency</b> — Ingevity reports on our sustainability topics and progress annually.	
102-53	<b>Contact point for questions regarding the report</b> — <a href="mailto:sustainability@ingevity.com">sustainability@ingevity.com</a>	
102-54	<b>Claims of reporting in accordance with the GRI Standards</b> — This report has been prepared in accordance with the GRI Standards: Core option	
102-55	<b>GRI content index</b> — The GRI content is located within this GRI Index	
102-56	<b>External assurance</b> — We have not sought formal external assurance for this report.	
Disclosures on Management Approach		
GRI Number	Disclosure — Report Section/Link — Page Number	
Pillar #1: Protecting People and the Environment		

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## Management approach – Personal, Process and Public Safety

Ingevity has identified safety as a material topic and as such we developed a world-class safety program and a strong safety culture. Personal, process and public safety is a core value at Ingevity and we work hard to protect employees, contractors and the communities where we operate from injuries, illnesses and incidents through the design of safe operations; continuous improvement of personal and process safety performance, management systems and programs; a strong culture of compliance; and focus on zero harm to people and the environment.

We support public safety through community emergency preparedness efforts, in alignment with element 3.7 of the Responsible Care® Management System and the Responsible Care® Process Safety Code. [SASB RT-CH-210a.1]

Ingevity utilizes the U.S. Occupational Safety and Health Administration (OSHA) total case incident rate (TCIR) as a standard measure of occupational safety. TCIR is calculated by multiplying the number of recordable cases by 200,000, then dividing that number by the number of labor hours worked by Ingevity employees.

103-1, 103-2,  
103-3

The following manufacturing locations completed the entire year in 2020 with zero employee injuries: Warrington, U.K., Waynesboro, Georgia, Wickliffe, Kentucky, and Zhuhai, China. All global technical centers and offices also completed 2020 with zero employee injuries. Amidst a landscape of adjustments to operations to ensure safety and business continuity in a COVID-19 environment with an overall reduction in employee work hours, we saw an increase in our employee TCIR in 2020 compared to 2019. U.S. employee TCIR in 2020 achieved second-quartile performance versus all American Chemistry Council (ACC) member companies and our medium-sized benchmark. All our locations, with one exception, completed 2020 with zero contractor injuries, an improvement when compared to 2019 contractor safety performance.

In 2020, we drove increased reporting of and response to near miss incidents to prevent more serious injuries before they could occur. This included efforts to increase the number of near misses reported as well as an increase in reporting by a broader number of employees. We continued our journey to improve safety training, further expanded the use of leading indicators to ensure effective initiatives are proactively implemented, and improved incident investigation quality to ensure contributing factors are appropriately identified, addressed and leveraged to prevent similar events at our other locations. Employees have also been trained on the importance of Life Saving Rules, rules we've put in place to prevent fatalities and serious injuries through leadership videos, monthly interactive training packages, and upgraded procedures, checklists, work permits and audits.

We conducted scheduled audits of our locations remotely due to restrictions regarding COVID-19 that were in place during most of 2020. However, we were able to complete successful Responsible Care Management System recertification audits of our corporate headquarters and for many of our locations.

In 2020 Ingevity had zero significant transportation-related incidents, per the U.S. Department of Transportation's reporting criteria, across the company.



103-1, 103-2,  
103-3

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## Management approach – Environmental Protection

We consider company environmental impacts to be material topics. These include energy, greenhouse gases (GHGs), air emissions, water and waste management. As part of our company commitment to be good stewards of the environment, Ingevity has committed to reduce GHG intensity by 5% by 2025. Ingevity has taken additional efforts to reduce the environmental impact of its operations and products. Ingevity measures and has internal goals to reduce criteria air pollutants, energy use, water use, wastewater discharges and solid waste disposal. We have information on the progress of our efforts in the data appendix of this report.

EMS AND ISO:14001: To guide our efforts and management approach to reduce our impact on the environment, Ingevity has invested in environmental management systems (EMS). All manufacturing facilities have implemented a comprehensive EMS. The following plants are ISO:14001, or RC14001 or RCMS certified: North Charleston, DeRidder, Covington, Wickliffe, Waynesboro, Warrington, Changshu, and Zhuhai. Crossett will become certified in the 2022 certification cycle. In addition, we have voluntarily joined with the Department of Energy (DOE) in the Better Buildings/Better Plants Program. Within this DOE program Ingevity measures and discloses the energy consumed to make our products in the U.S.

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103-1, 103-2,  
103-3

As stated in the Ingevity Environmental and Energy Policy, "Ingevity employees strive to employ proactive strategies and techniques to the greatest extent possible for protecting people and the environment while utilizing resources in a responsible and sustainable manner. Ingevity works to reduce environmental impacts from existing operations and future acquisitions and projects, including but not limited to air emissions, GHG emissions, energy use, water management, solid waste generation and increasing beneficial reuse wherever possible."

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**Management approach: Product Stewardship**

RT-CH-410b.1

RT-CH-410b.2

RT-GH-210a.1

The key elements of Ingevity's approach to product stewardship come from the American Chemistry Council's Responsible Care® Product Safety Code, which is integrated into all facets of our strategy. Ingevity's senior leadership, businesses, technical, operations, risk management, supply chain, communications and other functional teams play roles in ensuring product stewardship is shared by all employees, and a key consideration in our actions across the organization.

Ingevity identifies product stewardship as:

- Compliance with global and region-specific laws and standards for product stewardship
- Management of impacts of changing regulations
- Ensuring products are safe for intended and likely uses
- Ensuring the safety of those who may use or be exposed to our products, from cradle to grave

103-1, 103-2,  
103-3

In 2020, 29% of our products contained Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, all of which underwent a hazard assessment. Ingevity provides product specific statements to affirm the absence of Substances of Very High Concern (SVHC) where appropriate, and for applicable product lines we provide statements notifying customers that SVHCs are not intentionally included in our products sold in the EU. We have transitioned EU customers to products grades with no SVHCs and also are actively moving to phase out the use of SVHCs globally.

Ingevity recorded zero incidents involving product regulatory issues, health and safety impacts of our products, and product information and labeling in 2020. We review our product families to continuously improve our product risk assessment process, as required by the Responsible Care Product Safety Code. Our product stewardship and regulatory management systems feature SharePoint sites with improved accessibility to Product Safety Code activities by Ingevity employees and our publicly available website, <https://www.ingevity.com/product-stewardship/> features new product safety summaries.

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**Pillar #2: Creating Value for Customers and Society**

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**Management approach: Customer Partnerships**

Ingevity strives to be our customers' technology partner of choice. We engage regularly with existing and prospective customers to ensure their expectations are met—or exceeded—through quality products and services; addressing concerns promptly and efficiently; and anticipating and acting upon future needs to improve or create new products.

103-1, 103-2,  
103-3

Ingevity is both ISO 9001 and International Automotive Task Force (IATF) certified and adheres to strict quality management standards at each manufacturing facility. In addition, the company focuses on four specific metrics to evaluate the customer satisfaction aspect of its partnerships. In 2020, Ingevity's on-time shipments (OTS) metric increased to 93%, which is a 10% improvement from 2019. Our percentage of shipments in full (SIF) also increased to 93.7%, while our incident management rate (IMR) decreased to 1.14% - down from 1.34% in 2019. We also executed a customer survey in order to gain the updated perspectives of our customers.

METRIC	2016	2017	2018	2019	2020
Execute Customer Survey	-	Executed Survey	-	-	Executed Survey
% OTS - On Time Shipments	52%	76%	75%	83%	93%
% SIF - Shipments in Full	87.6%	91.7%	88.0%	91.0%	93.7%
Customer Complaint - IMR	1.01%	0.76%	0.94%	1.34%	1.14%



#### **Management approach: Product Benefits** RT-CH-410a.1

103-1, 103-2,  
103-3

A significant percentage of the raw materials used in the manufacturing of our products are renewable. These raw materials do not compete with the food chain or contribute to deforestation. In 2020, the overall percentage of renewable raw materials used to manufacture our products was 73.87%, down from 78.1% in 2019. In 2020, 77.5% of our sales revenue (\$942,255,764) and 49.7% of our manufacturing volume came from sustainable products.

We are on track with our goal to evaluate the societal value of our major product lines by the end of 2022. This goal is an integral part of our sustainability initiative because it will provide us the opportunity to tell our story in a quantifiable way. In 2020 we released our first two product studies for Nuchar and Evotherm which focused on the GHG emission benefits and impacts associated with these products and their end uses. Following the release of these studies we began work to evaluate our WestRez, Polyfon, and Capa products. In total, the series of studies conducted in 2019 represents a strong majority of our revenues and contributed greatly to our progress towards our 2022 goal. The results of these studies will be published on our website and in future sustainability reports.

#### **Management approach: Innovative Solutions**

103-1, 103-2,  
103-3

Ingevity creates value for our customers by innovating, producing and delivering innovative new products. This increases shareholder value that, in turn, allows us to reinvest and grow our business. Innovation is deeply embedded within Ingevity's culture and 100-year history.

Our vitality index is calculated by the percentage of annual revenue derived from the sale of new products, defined as products that have been sold for the first time within the last five years. Between 2019 and 2020, our index value decreased by 1% to 12.7%, as several products sold into mature markets continue to be commercially successful past the five-year mark. Our activated carbon products sold into automotive applications for environmental control and energy typically have long phases of maturity due to the automotive design cycle and regulatory guidance.

Ingevity also measures innovation through the percentage of annual revenue spent on technology and innovation (T&I), an important part of Ingevity's ability to continue meeting demands of our customers to improve product performance. In 2020, this percentage decreased by 1% to 1.9%.

METRIC	2016	2017	2018	2019	2020
Vitality index	13.6%	19.4%	14.4%	13.7%	12.7%
\$ Investment in technology and innovation (T&I) as % sales revenue	1.9%	2.0%	2.9%	2.8%	1.9%

### Pillar #3: Engaging Our People



#### Management approach: Employee Development

Our success requires a team-oriented culture that engages all individuals. A highly engaged workforce is vital to business outcomes such as productivity and profitability. Helping our team members realize their full potential plays a role in our company's long-term success—and it is one of the many ways we strive to keep our employees engaged. One of the ways we plan to foster this is by gaining a better understanding of our employees.

We conducted employee surveys in 2016 and 2018, which helped to form The IngeviWay, our cultural credo that outlines our vision, purpose and values, and important companywide initiatives, such as the creation of a more robust learning and capability development program. In 2020, we partnered with a leading global analytics group, Gallup, to conduct a comprehensive employee engagement survey. This will provide essential information to guide our actions. We will report on the impacts of these actions, as well as the metrics and the data used to assess our performance by the end of 2022.

At Ingevity, we recognize that a crucial link exists between talent, engagement and business outcomes, such as productivity and profitability. We continue to apply the Center for Creative Leadership's "70-20-10" model to developmental initiatives. This program consists of: 70% on-job application of new skills, 20% assessment and peer coaching, and 10% classroom training. Members of the organizational development, learning and talent acquisition teams continue to work toward ensuring our company has a stellar workforce, by providing our employees with opportunities for learning and capability development. Our employees completed an average of 9.6 hours of training content in our learning management system (GROW) in 2020. Please note this number accounts for system-based training only. Our approach to training is decentralized meaning that plants and business areas manage their own safety and on-the-job training and additional training hours may have been completed outside of GROW. All employees also have access to over 15,000 LinkedIn Learning courses via GROW that focus on personal and career development topics. Additional training on crucial conversations is available for conflict management and communication effectiveness. We also host a one-year program called INGage designed to improve foundational leadership and management skills for front-line production managers, supervisors, team leads and engineers, as well as supply chain managers, from our locations in the U.S., China and Europe, the Middle East and Africa. This program is led by leadership team members from plants and supply chain, the content focuses on building trust, coaching, time management, adapting to change, clarifying performance expectations, conflict resolution and how to offer rewards and recognition.

"Perform" is our approach to develop employees through continuous, frequent check-ins focused on coaching, feedback and goal attainment. We believe in providing ongoing performance feedback and career development discussions through monthly check-ins between managers and salaried employees. In lieu of formal performance ratings, managers review each employee's progress against goals, direct contributions and the level of impact they had on the business to evaluate performance. 100% of eligible Ingevity salaried employees received performance evaluations as a part of the merit process for the 2020 year. We provide resources and content to build manager skills around having higher quality, more effective conversations with their employees. Gallup access also provides resources such as webinars, articles, and videos that are available to all managers as a resource for increasing engagement and involvement within their team. The Differentiate program provided to managers focused on reducing bias during the employee evaluation process. Inclusion and diversity cultural awareness training also covers principles and strategies to facilitate more productive, meaningful conversations on topics related to diversity. Employees undergo an Insights Discovery evaluation to improve the effectiveness of their communication.

103-1, 103-2,  
103-3



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### Management approach: Diversity, Equity and Inclusion

Ingevity firmly believes that racism and discrimination, whenever and however they exist, are wrong and will not be tolerated at our company. We share in the pain and grief felt across the U.S. and in every community where we operate, and where our employees call home. We recognize racial injustice and systemic racism are serious problems that we must address. As a company, we can and should do more to drive meaningful change. We recognize that this is the time—more than ever—to lean in, listen and learn.

Our company's success requires a team-oriented culture that celebrates the diversity, knowledge, energy, talents and expertise of all individuals. We strive to recruit and retain the best talent, while leveraging diverse views and fostering an inclusive environment that enables employees to do their best work.

Driven by our cross-functional Diversity, Equity and Inclusion (DEI) Task Force, formed in 2019, we accelerated the implementation of a series of resources and opportunities designed to educate employees on cultural issues and equip them for open and empathetic interactions:

- A listening series for employees—Our Voices on Racial Injustice—featuring colleagues from across the company
- Multiple learning courses have been rolled out to our employees via the Grow platform, including “Bystander Training: From Bystander to Upstander,” and “Communicating About Culturally Sensitive Issues”
- Managers and leadership have been called to action, asked to lead by example in driving change across the organization. To enable this, Ingevity provided resources aimed at helping our managers navigate these sensitive issues, including a conversation guide and an interactive webinar entitled “Talking about Culturally Sensitive Issues.”
- The Ingevity Women's Network will host “Expanding Our Lens”, a book club that will read culturally relevant books, the first of which is “The Person You Mean to Be: How Good People Fight Bias”

Our DEI Task Force, working closely with Ingevity's leadership team, will be working to help employees across the organization to foster open, empathetic conversations designed to prioritize an inclusive and diverse work force. We will welcome conversations aimed at understanding how people are feeling and how, together, we can improve on this important commitment.

In addition to these actions, the DEI Task Force has driven the facilitation of a new DEI framework and three-year strategy, which was launched in 2020. Several important objectives include:

- Creating awareness of DEI by imbedding specific questions into a companywide engagement survey, conducted by Gallup, that will provide baseline data for each global site location
- Localizing inclusion through site champions who will ensure a feedback loop with each of our sites and enable us to align existing and more aspirational activities
- Expanding our attraction and recruitment strategies to further diversify our talent pipeline



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### Management approach: Our Communities

Enhancing the communities in which we live and work is deeply rooted in our company's history and culture. Our IngeviCares philanthropy program allows us to give a portion of our revenue and time to these communities as we pursue our IngeviWay vision to be a positive influence in our communities. We firmly believe in these efforts, which are essential to both our company culture and our business operations. Launched in 2017, our IngeviCares program focuses charitable giving and community involvement in three areas that support our mission to purify, protect and enhance by reducing risks and building opportunity for sustainability, education and well-being. The IngeviCares strategic framework for our philanthropy:

- Targets 0.1% of revenues towards our philanthropic work and charitable giving
- Focuses on supporting “keystone initiatives” with nonprofit organizations and charities at a level that will make a significant impact in each community
- Encourages and supports employee giving through our matching gifts program and United Way campaigns.
- Provides stronger resources for our manufacturing locations so that they can tailor plant-level funding to support the unique needs of the communities where we operate

**103-1, 103-2,  
103-3**

We engage our employees base on a regular basis and in 2020, conducted an employee Gallup survey. We also engaged with our investors in a survey in 2020 and additionally asked questions about the company’s COVID-19 response. Our investors raised issues associated with some of the risks and opportunities that our products provide society. We engage with the community through our Ingevicares program. In our data appendix you can see our IngeviCares program impact in areas of Health, Education and Environment. In 2020 the IngeviCares program, Ingevity and our employees donated roughly \$1.5 million to nonprofit organizations. Through charitable donations, matching gift programs, employee volunteer programs and scholarship programs, Ingevity seeks to be a positive influence in the communities where we operate and in which our employees and their families live and work. We aim to invest \$6 million in our communities in the six-year period from 2020 through 2025.

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## **Pillar #4: Driving Business Excellence**

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### **Management approach: Financial Performance**

The Board of Directors and Ingevity Executive Team actively engages in the process of strategic development and oversight of the ongoing execution of the company’s strategic plans. For additional information please refer to Proxy page 7. At Ingevity our corporate financial strategy looks to capture value for shareholders by creating value for our customers, expanding our geographic reach, accelerating innovation, pursuing strategic and value-creating acquisitions, driving continuous improvement in executing and maintain a returns-oriented financial focus. Our financial performance is measured in many ways; however, there are four metrics of focus:

**103-1, 103-2,  
103-3**

- Revenue as the measure of total value provided to our customers
- Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA), as a measure of current earnings capability
- Free cash flow, as a measure of ability to reinvest in the company or return capital to shareholders
- Net debt ratio as the measure of leverage

For more information please refer to our Annual Report, About Ingevity and A Message from the CEO.  
[https://s23.q4cdn.com/855317798/files/doc\\_financials/2020/ar/2020\\_NGVT\\_Annual\\_Report\\_and\\_Form\\_10-K.pdf](https://s23.q4cdn.com/855317798/files/doc_financials/2020/ar/2020_NGVT_Annual_Report_and_Form_10-K.pdf)

### **Management approach: Strategic Execution**

**103-1, 103-2,  
103-3**

At Ingevity, our success depends on our ability to achieve superb performance and optimal results throughout the organization. We strive to perform at the highest levels and continuously improve our operations. Underpinned by a culture of productivity, we regularly use an operational excellence (OpEx) process to drive improvement. Dedicated OpEx practitioners lead and facilitate a variety of productivity initiatives to aid business, function and process owners in driving improvements, implementation and control. In 2020, we leveraged our world-class application of OpEx processes to advance strategic initiatives in multiple areas, and we will continue to apply OpEx continuous improvement principles to remain a top-quartile specialty chemicals company.

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Over the next two years, we plan to make a significant investment back into our company by upgrading our SAP system. This will equip our people with more optimal processes and technology, enabling us to more efficiently and effectively connect our supply chain, manufacturing teams and businesses. This initiative, called Project Mosaic, was launched in 2019 to begin redesigning business processes and systems that will enable Ingevity to meet and exceed customer expectations. Identified as an opportunity by an OpEx diagnostic project in late 2018, we spent the last year engaging a team of about 30 people who will be involved either full- or part-time on this initiative. Preparations are currently underway to configure our business operations for a new, best practice enterprise resource planning system.

**103-1, 103-2,  
103-3**

The OpEx team continues to analyze transportation modes, logistics and infrastructure of the plants to optimize current assets, minimize emissions through rail and truck transportation, and effectively utilize an integrated, network-wide planning strategy. At the manufacturing level, Ingevity concentrates on a metric for overall equipment effectiveness (OEE) to gauge efficiency. It is used to some degree at each of our manufacturing facilities.

In late 2019, Ingevity recognized that the new coronavirus, COVID-19, had the potential to impact the global economy. As such, we proactively took measures to mitigate our risks. Located in the first country impacted by COVID-19, our facilities in China took swift and efficient steps at the outset. We applied learnings from their actions on a global scale, coordinated by a cross-functional business continuity team and task force.

To keep our employees healthy, we implemented work from home and social distancing initiatives, limited travel and visitation policies, provided free tele-health services to employees and their dependents, and we take the temperatures of essential employees at the start of each shift at our production facilities.

In addition, we modified production levels at several manufacturing facilities, delayed certain capital projects, and significantly increased communications to keep our employees informed through the pandemic. We continue our diligent efforts to keep our employees safe and healthy while also remaining responsive to our customers and maintaining strong financial results and liquidity.

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### **Management approach: Intellectual Property and Cybersecurity**

#### **Intellectual Property**

Intellectual property (IP) is a key outcome of one of Ingevity's strongest assets—the innovations of our people. Our IP includes patents, technical papers, contracts, strategic partnerships, experience, knowhow and more. How we protect those assets is key to our sustainability. Innovation, as represented by IP, is a key advantage for Ingevity.

#### **Cybersecurity**

**103-1, 103-2,  
103-3**

We are continuously improving our cybersecurity program, following industry best practices. The approach is designed to support our global business operations, enhance production and drive innovation while protecting IP, confidential information, privacy data and underlying infrastructure.

Ingevity further reinforces our cybersecurity posture through collaboration with strategic partners, providing threat detection and monitoring services, including a global cybersecurity incident response team. We remain diligent in conducting vulnerability assessments, tracking cyber performance metrics and training our employees on protective measures such as password use, data encryption and recognizing phishing attempts.

At Ingevity, we take cybersecurity seriously. With many of our employees spending at least some of their time online during working hours, the risk of cyberattacks is elevated. We mitigate that risk through regularly educating our employees on topics such as identifying suspicious emails and malicious links, ways to protect company information stored on physical devices, and the importance of strong and unique passwords. Employees receive periodic exercises, such as simulated phishing emails, which help our IT team to identify risk areas that need to be mitigated.

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## Specific Disclosures

### GRI Number Disclosure — Report Section/Link — Page Number

#### Economic Performance

Our specific disclosure 201 Economic Performance aligns with the management approach of our material topics *Financial Performance and Strategic Execution*.

#### Direct economic value generated and distributed

Our specific disclosure 201 Economic Performance aligns with the management approach of our material topics:

201-1

- Financial Performance, Strategic Execution and Our Communities
- Revenues for 2020 were \$1.216 billion. For a full discussion on the company's finances, please see the company's Annual Report, About Ingevity section and pages 53-109) [https://s23.q4cdn.com/855317798/files/doc\\_financials/2020/ar/2020\\_NGVT\\_Annual\\_Report\\_and\\_Form\\_10-K.pdf](https://s23.q4cdn.com/855317798/files/doc_financials/2020/ar/2020_NGVT_Annual_Report_and_Form_10-K.pdf)

In 2020, Ingevity manufactured 705,253 metric tons of product.

Our IngeviCares program helps support keystone initiatives within our communities. For more information see our Communities Management Approach section.

#### Materials

Our specific disclosure 301 Materials aligns with the management approach of our material topic *Product Stewardship*.

#### Materials — Our specific disclosure 301 Materials aligns with the management approach of our material topic Product Benefits.

Most linear economy businesses take a natural resource and turn it into a product which is ultimately destined to become waste because of the way it has been designed and made. This process is often summarized by “take, make, waste.” By contrast, a circular economy employs reuse, sharing, repair, refurbishment, remanufacturing and recycling to create a closed-loop system, minimizing the use of resource inputs and the creation of waste, pollution and carbon emissions. The circular economy aims to keep products, materials, equipment and infrastructure in use for longer, thus improving the productivity of these resources.

301-1

Ingevity is part of the circular economy by taking post-industrial material and converting it into premium value-added products. In addition, our Capa caprolactone-based products contribute to the efficacy and composability of many types of plastic products. With products that are manufactured from the co-products of other manufacturing processes—many of which are renewable wood-based raw materials—Ingevity and its employees make products that purify, protect and enhance the world. Our innovations enable oil to flow better, they help crops grow fuller, they make roads last longer, and they ensure that the air we breathe is cleaner.

We are on track with our goal to evaluate the societal value of our major products line by the end of 2022. In 2020, we released our first two product studies and this work will continue into 2021.

A significant percentage of the raw materials used in the manufacturing of our products are renewable. These raw materials do not compete with the food chain or contribute to deforestation. In 2020, the overall percentage of renewable raw materials used to manufacture our products was 73.87%, down from 78.1% in 2019. In 2020, 77.5% of our sales revenue (\$942,255,764) and 49.7% of our manufacturing volume came from sustainable products.

## Energy

Our specific disclosure 302 Energy aligns with the management approach of our material topic *Environmental Protection*.

### Energy Consumption Within the Organization

RT-CH-130a.1

Our Energy portfolio includes renewables and non-renewable sources. In 2020, approximately 7.7% of the energy consumed by Ingevity was from renewable sources.

Our summary of energy purchased is below. More details on our energy use can found in the data appendix of this report.

	2020   MMB Btu/yr.	2020 GJ/yr.	Source: Ingevity SHE
302-1	723,318	763,141	Purchased electricity from grid
	45,814	48,141	Renewable per electrical grid (U.S. only)
	6,824	7,200	Solar (Waynesboro)
	47,597	50,217	RECs (Warrington)
	423,619	446,942	Biomass (Charleston & Covington)
	523,854	552,695	Renewables are 7.7% of energy
	6,269,884	6,615,078	Fossil fuels are 92.3% of energy used
	6,793,738	7,167,773	Total

**Energy** — Our specific disclosure 302 Energy aligns with the management approach of our material topic: Environmental Protection.

### Energy Intensity & Conservation:

302-3 Energy consumption in our operations generates Scope 1 and Scope 2 GHG emissions. Scope 1 emissions are primarily from the combustion of natural gas for building heat and certain production processes. Scope 2 emissions stem from electricity use and third-party steam generation. During 2020, our operations were affected by COVID-19. We manufactured approximately 16% less product in 2020 compared to 2019. Our efforts to be good stewards of energy resources continued despite the effects that the pandemic had on our business. We implemented several projects that made our operations more efficient. As an example of our efforts to improve our operations, we upgraded our North Charleston plant boiler combustion controls and we expect to reduce energy use by roughly 241 MMBTU. At our Crossett plant, we installed LED lighting and invested in our complex boiler, reducing our energy use by approximately 9,749 MMBTU. Although our energy intensity and GHG intensity went up, in 2020, we continued to invest in our business and a more sustainable future. We recognize that climate change is a material issue to our business. In addition to actions taken to reduce energy consumption and reduce GHG emissions we are disclosing more information on our operations.

Energy Intensity: 2019: 7.8 MMBTU/Ton of Product, 2020: 8.8 MMBTU/Ton of Product

## Water

(2016 GRI Standard) - Our specific disclosure 303 Water aligns with the management approach of our material topic Environmental Protection.



**Water and effluents** – Our specific disclosure 303 Water and Effluents aligns with the management approach of our material topic Environmental Protection.  
 RT-CH-140a.1  
 RT-CH-140a.2  
 RT-CH-140a.3

Protecting People and the Environment is the first pillar of our sustainability system. We recognize that reducing our company impact on the environment is material to our business and benefits society.

**303-3**

Water Management: Water is critical to our operations and we have been taking steps to reduce our consumption and water intensity. Ingevity does not operate in water-stressed or waster-impaired locations, and our freshwater consumption and effluent volumes remain relatively low compared to industry benchmarks. Some of Ingevity's manufacturing locations discharge effluent water to the wastewater treatment facilities at neighboring paper mills. The company's DeRidder, Louisiana, Wickliffe, Kentucky, and Zhuhai, China, facilities own and operate their own wastewater treatment facilities. Our Changshu, China, facility recycles all their industrial wastewater, making them a zero-discharge facility. All wastewater is treated in accordance with applicable regulations prior to discharge into the environment. In 2020, Ingevity did not have any violations of its water permits and the compliance risks associated with our water use is evaluated each year during our EMS review cycle. Our EMS has stakeholder mechanisms for interested parties to engage regarding environmental issues including water use. More details on our water use can found in the data appendix of this report.

In 2020, Ingevity reduced effluent flow from our operations by roughly 8%. The reductions can be attributed to pandemic-related reductions in throughput as well as project work which made our operations more efficient and reusing water in our processes.

	Water use by location thousand cubic meters	Water use by location thousand cubic meters	Water use by location thousand cubic meters	Water use by location thousand cubic meters	Water use by location thousand cubic meters
LOCATION	2016	2017	2018	2019	2020
North Charleston	2,741	4,431	3,921	3,916	3,891
DeRidder	602	651	723	821	693
Crossett	462	455	519	484	477
Warrington	168	185	165	176	176
Covington	1,282	1,337	1,333	1,367	1,120
Wickliffe	1,159	1,353	1,426	1,239	1,113
Waynesboro	4	6	8	7	8
Changshu	2	5	12	14	12
Zhuhai	136	112	196	186	149



	Water use by location gallons / yr.	Water use by location gallons / yr.	Water use by location gallons / yr.	Water use by location gallons / yr.	Water use by location gallons / yr.
LOCATION	2016	2017	2018	2019	2020
North Charleston	724,170,268	1,170,521,069	1,035,885,399	1,034,455,493	1,027,763,232
DeRidder	159,000,000	172,000,000	191,000,000	217,000,000	183,000,000
Crossett	121,929,259	120,316,899	137,200,000	127,750,000	126,000,000
Warrington	44,318,551	48,871,027	43,672,651	46,541,823	46,600,000
Covington	338,610,000	353,180,000	352,160,000	361,220,000	295,946,400
Wickliffe	306,090,000	357,500,000	376,600,000	327,200,000	294,000,000
Waynesboro	990,000	1,700,000	2,100,000	1,750,000	2,140,000
Changshu	576,419	1,440,519	3,244,272	3,703,135	3,201,740
Zhuhai	35,835,717	29,587,040	51,695,956	49,135,620	39,304,798

## Emissions

Our specific disclosure 305 Emissions aligns with the management approach of our material topic *Environmental Protection*.

### 305-1

**Direct (Scope 1) GHG Emissions** — Our specific disclosure 305 Emissions aligns with the management approach of our material topic Environmental Protection.



### 305-2

**Indirect (Scope 2) GHG Emissions** — Our specific disclosure 305 Emissions aligns with the management approach of our material topic Environmental Protection.

Ingevity has reported Scope 1 and Scope 2 emissions for all manufacturing operations in our data appendix. Ingevity established a baseline year (2019) for our GHG reduction goal. Ingevity measures GHG as CO<sub>2</sub>e and uses U.S. EPA or local agency GHG emissions factors that prevail in the area operations.



### 305-4

**GHG emissions** — Our specific disclosure 305 Emissions aligns with the management approach of our material topic Environmental Protection.

RT-CH-110a.1

RT-CH-110a.2

We recognize that climate change is a material issue to our business. In addition to actions taken to reduce energy consumption and reduce GHG emissions, we are disclosing more information on our plants and businesses. Except for our Warrington plant, our plants are not significantly impacted by GHG emissions limiting- and/or emissions reporting-based programs or regulations. In 2020, 10% of our Scope 1 emissions (Warrington) were covered under an emissions-limiting regulation or program.

### 305-4

In 2020, our overall GHG emissions fell by roughly 10.75% while our GHG intensity (MT of CO<sub>2</sub>e/ ton of product) went up by 6%. These reductions can be attributed to the impact of COVID-19 and the projects implemented to reduce energy consumption. We are pleased that the projects we implemented influenced our overall GHG emissions. In 2020, we noted that our Scope 1 GHG emissions fell by approximately 12% and our Scope 2 emissions fell by 19%. In 2020, we began the practice of setting aside capital dollars for sustainability projects that have longer term environmental impacts. We will be continuing this investment into our more sustainable future. We have information on the progress of our efforts in the data appendix of this report.



#### **Other air emissions – Our specific disclosure 305 Emissions aligns with the management approach of our material topic: Environmental Protection** RT-CH-120a.1

Ingevity has been successful in reducing criteria air pollutants. In 2020, we reduced all criteria air pollutants. These changes are attributable to the impact of COVID-19 and the project execution to make our operations safer and more efficient. These reductions took place despite reductions in production due to COVID-19. Ingevity uses emission factors from U.S. EPA and the local regulatory agencies that prevail in each area of our operations. You can find more information on our specific emissions results in the table below and in our data appendix.

### 305-7

Criteria Pollutants	2016	2017	2018	2019	2020
SO <sub>2</sub> (MT / yr.)	19.69	21.07	25.41	26.38	23.38
NO <sub>x</sub> (MT / yr.)	368.4	360.01	335.03	337.04	299.75
PM (MT / yr.)	73.97	77.65	78.55	88.57	79.84
COV (MT / yr.)	275.7	308.89	242.19	240.03	194.95

### Effluents and Waste

Our specific disclosure 306 Effluent and Waste aligns with the management approach of our material topic *Environmental Protection*.



#### **Waste – Our specific disclosure 306 Waste aligns with the management approach of our material topic: Environmental Protection.** RT-CH-150a.1

Protecting People and the Environment is the first pillar of our sustainability system. We recognize that reducing our company impact on the environment is material to our business and benefits society. Ingevity measures and has internal goals to reduce criteria air pollutants, energy use, water use, wastewater discharges and solid waste disposal. We have information on the progress of our efforts in the data appendix of this report.

### 306-1, 306-2

Ingevity has reduced both hazardous waste and non-hazardous waste over the past several years. The waste reductions in 2020 can be attributed to the impact of COVID-19 and the projects implemented to reduce waste generation. Ingevity identifies hazardous waste either as defined by U.S. EPA or the local regulatory agency that prevails in the area of the operations. We are updating our data systems in 2021 and we look forward to being able to provide additional data on waste.

Waste Generated by Type	2016	2017	2018	2019	2020
Non-Hazardous Waste (MT / yr.)	7,236.09	8,276.00	6,822.70	6,229.95	6,059.38
Hazardous Waste (MT / yr.)	415.37	353.29	232.19	136.24	133.20

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## Employment

Our specific disclosure 401 *Employment* aligns with the management approach of our material topic *Employee Development*.

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**Benefits provided to full-time employees that are not provided to temporary or part-time employees** – Our specific disclosure 401 *Employment* aligns with the management approach of our material topic *Employee Development*.

### 401-2

We are proud to offer our full-time employees a comprehensive benefits package. These benefits include: life insurance, health care, disability and invalidity coverage, parental leave, retirement provision, and stock ownership. For more information on our benefits and career at Ingevity, please visit our public website. <https://www.ingevity.com/careers/>

The definition used for Ingevity significant locations of operation: <https://www.ingevity.com/about/locations/>

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## Occupational Health and Safety

(2016 GRI Standard) - Our specific disclosure 403 *Operational Health and Safety* aligns with the management approach of our material topic *Personal, Process and Public Safety*.

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**Occupational health and safety management system** – Our specific disclosure 403-1 *Operational Health and Safety* aligns with the management approach of our material topic: *Personal, Process and Public Safety*.

RT-CH-320a.1

RT-CH-320a.2

RT-CH-540a.1

RT-CH-540a.2

### 403-1

Ingevity is committed to protecting people and the environment while utilizing resources in a sustainable manner and encouraging responsible use and application of our products. We maintain certification for the Responsible Care Management System®, RC14001® or ISO 14001 at all our locations, and apply a strong focus on protecting our employees, contractors, the environment and the communities in which we operate. We also recognize the risk management standards of Process Safety Management and incorporate this into our safety management system.

Ingevity has a highly-evolved safety program and a strong safety culture. In fact, 100% of our employees are covered by our safety management system and received safety training and other forms of safety messaging across the company in 2020. Personal, process and public safety is a core value at Ingevity and we work hard to protect employees, contractors and the communities in which we operate from injuries, illnesses and incidents through the design of safe operations; continuous improvement of personal and process safety performance; management systems and programs; a strong culture of compliance; and a commitment to zero harm to people and the environment.

Additionally, we have improved our transportation safety by moving toward using only Responsible Care-certified carriers, wherever possible. In 2020, we reported zero significant transportation-related incidents, per the U.S. Department of Transportation's reporting criteria, across the company.

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**Hazard identification, risk assessment, and incident investigation** – Our specific disclosure 403-2 *Safety* aligns with the management approach of our material topic: *Personal, Process and Public Safety*.

### 403-2

Ingevity utilizes the U.S. Occupational Safety and Health Administration's total case incident rate (TCIR) as a standard measure of occupational safety. TCIR is calculated by multiplying the number of recordable cases by 200,000, then dividing that number by the number of labor hours worked by Ingevity employees. We encourage our employees to report near misses and hazards within the workplace and our Code of Conduct assures this can be done without fear of reprisals.



Year	2016	2017	2018	2019	2020
Number of Safety Near Misses	744	823	710	1,771	3206

Ingevity uses a wide variety of safety tools to identify hazards, assess risks and investigate incidents. Ingevity uses Process Safety Management, safety audits and industrial hygiene program to identify hazards. Ingevity encourages employees to report near misses and any unsafe conditions. Ingevity has adopted the International Association of Oil and Gas Producers (IOGP) Life Saving Rules. Ingevity has added a "My Central Role" to our safety program:

403-2

#### MY CENTRAL ROLE

I have a central role in safety.  
 I report to work fit for duty.  
 I have time to work safely.  
 I have authority to stop any unsafe work.  
 I ensure work is safe before I or others start.  
 I do not commit/condone willful acts.  
 I report all incidents, near misses, unsafe acts and conditions.

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**Occupational health services** — Our specific disclosure 403-3 aligns with the management approach of our material topic: Personal, Process and Public Safety.

403-3

Ingevity employs a comprehensive industrial hygiene program to assess our operations for hazards. We share this information with affected employees. Ingevity uses continual improvement mindset to mitigate and reduce hazards from our processes.

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**Worker participation, consultation, and communication on occupational health and safety** — Our specific disclosure 403-4 aligns with the management approach of our material topic: Personal, Process and Public Safety.

403-4

At Ingevity 100% of our sites have formal joint management-worker health and safety committees. The frequency and agendas of these meetings is set locally. These committees use collaborative efforts to reduce safety issues at our locations. For Ingevity locations covered by a CBA, there are sections that speak to safety of the workplace.

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**Worker training on occupational health and safety** — Our specific disclosure 403-5 aligns with the management approach of our material topic: Personal, Process and Public Safety.

403-5

We continued our journey to improve safety training by issuing a training standard to drive consistent training expectations across the organization, to further expand the use of leading indicators to ensure effective initiatives are proactively implemented, to improve incident investigation quality to ensure key and other contributing factors are appropriately identified and addressed, and to broadly leverage learnings from injuries and significant near misses to prevent similar events from occurring at our other locations. We are currently focusing on ensuring all employees thoroughly understand and respect the importance of the Life Saving Rules, rules in place to prevent fatalities and serious injuries, through leadership videos, monthly interactive training packages, and upgraded procedures, checklists, work permits, audits, etc.

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**Promotion of worker health** — Our specific disclosure 403-6 aligns with the management approach of our material topic: Personal, Process and Public Safety.

**403-6**

Ingevity offers medical insurance coverage to full-time employees or Ingevity follows requirements of local law. Ingevity offers other non-occupational health benefits as well: smoking cessation, health coaching for chronic conditions, employee assistance plan and access to mental health professionals.

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**Prevention and mitigation of occupational health and safety impacts directly linked by business relationships** — Our specific disclosure 403-2 aligns with the management approach of our material topic: Personal, Process and Public Safety.

**403-7**

The distribution of our products may have safety impacts beyond our operations. At Ingevity we have improved our transportation safety by moving toward using only Responsible Care-certified carriers, wherever possible. In 2020, we reported zero significant transportation-related incidents, per the U.S. Department of Transportation's reporting criteria, across the company.

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**Work Related Injuries** — Our specific disclosure 403-9 aligns with the management approach of our material topic: Personal, Process and Public Safety.

Year	2017	2018	2019	2020
Total Case Incident Rate (TCIR)	0	0.65	0.41	0.59

**TCIR WAS 0.59 in 2020**

Ingevity utilizes the U.S. Occupational Safety and Health Administration's total case incident rate (TCIR) as a standard measure of occupational safety. TCIR is calculated by multiplying the number of recordable cases by 200,000, then dividing that number by the number of labor hours worked by Ingevity employees.

The following manufacturing locations completed the entire year in 2020 with zero employee injuries: Warrington, U.K., Waynesboro, Georgia, Wickliffe, Kentucky, and Zhuhai, China. All global technical centers and offices also completed 2020 with zero employee injuries. In 2020, our employee TCIR increased when compared to 2019. In 2020, we achieved second quartile performance versus all American Chemistry Council member companies and our medium-sized benchmark companies in 2020, for US employee TCIR. All our locations, with one exception, completed 2020 with zero contractor injuries, which is an improvement when compared to 2019 contractor safety performance.

**403-9**

Much energy and focus was devoted to protecting the health and safety of our employees and essential contractors and visitors coming onto our sites in 2020 through implementation of numerous measures to prevent the spread of COVID-19 and to assist employees through increased availability of mental health first aid and wellness programs. We recorded zero non-pandemic related occupational illnesses in 2020. Employee illnesses related to the pandemic were attributed, with very few exceptions, to non-occupational exposures to COVID-19.

In 2020, we drove increased reporting of and response to near miss incidents to prevent more serious injuries before they can occur. This included efforts to increase the number of near misses reported as well as an increase in reporting by a broader number of employees. We continued our journey to improve safety training by issuing a training standard to drive consistent training expectations across the organization, to further expand the use of leading indicators to ensure effective initiatives are proactively implemented, to improve incident investigation quality to ensure key and other contributing factors are appropriately identified and addressed, and to broadly leverage learnings from injuries and significant near misses to prevent similar events from occurring at our other locations. We are currently focusing on ensuring all employees thoroughly understand and respect the importance of the Life Saving Rules. We conducted scheduled audits of our locations remotely due to restrictions regarding COVID-19 that were in place during most of 2020. We were also able to complete successful Responsible Care Management System recertification audits of our corporate headquarters and for many of our locations.

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Year	2017	2018	2019	2020
Tier 1 Process Safety Incident Rate	0	0.05	0	0.09
Tier 2 Process Safety Incident Rate	0.15	0.1	0.24	0.09

COMBINED PSI WAS 0.18 in 2020

Ingevity defines Tier 1 and Tier 2 process safety incidents (PSIs) in accordance with the American Petroleum Institute Recommended Practice 754 (API RP 754), which is consistent with other companies in the American Chemistry Council. PSI ratings are determined by site management, and then verified by corporate safety and health management.

In 2020, there was an 33% decrease in Tier 1 and Tier 2 PSIs, as compared to 2019, due to ongoing efforts to improve mechanical integrity and quality assurance programs at our manufacturing sites. We continued to make progress on implementation of our upgraded process safety management standard, which provides a clear framework of expectations to drive program consistency, increases employee engagement through broad participation in process safety committees, expands areas where process hazard analyses are required, upgrades process safety information packages, improves procedure quality, and increases internal auditing to drive continuous process safety improvement.

In 2020, Ingevity placed heavy emphasis on the 12 Vital Operating Skills, with interactive materials shared with the manufacturing sites covering a different operating skill each month to ensure employees in operations are well educated and understand the importance of performing the skills properly each and every time.

The key elements of Ingevity's approach to product stewardship come from the American Chemistry Council's Responsible Care® Product Safety Code, which is integrated into all facets of our strategy. Ingevity's senior leadership, businesses, technical, operations, risk management, supply chain, communications and other functional teams play roles in ensuring product stewardship is shared by all employees, and a key consideration in every action taken across the organization.

Ingevity identifies product stewardship as:

- Compliance with global and region-specific laws and standards for product stewardship
- Management of impacts of changing regulations
- Ensuring products are safe for intended and likely uses
- Ensuring the safety of those who may use or be exposed to our products

In 2020, Ingevity recorded zero incidents involving product regulatory issues, health and safety impacts of our products, and product information and labeling. In the interest of continuous improvement, we made several updates to our product stewardship and regulatory management systems:

**Ingevity Safety, Health, Environmental, Security and Responsible Care Policy:** [https://www.ingevity.com/uploads/page-pdfs/Responsible\\_Care\\_Policy\\_Rev\\_19\\_Sept-28\\_2020.pdf](https://www.ingevity.com/uploads/page-pdfs/Responsible_Care_Policy_Rev_19_Sept-28_2020.pdf)

**Responsible Care Product Safety Code** <https://www.americanchemistry.com/chemistry-in-america/responsible-care-driving-safety-industry-performance/resources/responsible-care-process-safety-code>



## Specific Disclosures

### GRI Number Disclosure — Report Section/Link — Page Number

#### Training and Education

Our specific disclosure 404 Training and Education aligns with the management approach of our material topic *Employee Development*.



**Average hours of training per year per employee** — Our specific disclosure 404 Training and Education aligns with the management approach of our material topic Employee Development.

404-1

#### In-House Learning Opportunities

Our employees completed an average of 9.6 hours of training content in our LMS called GROW in 2020. Ingevity hosts a robust in-house learning development platform called Grow, which includes on-demand, online content and classroom-style learning options that are available to all employees—in local languages, where possible. The 9.6 hours of training completed per employee accounts for system-based training only. We have a somewhat decentralized approach to training, so plants and business areas manage certain aspects of their own safety and on-the-job training. Additional training hours may have been completed outside of the LMS.

**Programs for upgrading employee skills and transition assistance programs** — Our specific disclosure 404 Training and Education aligns with the management approach of our material topic Employee Development.

At Ingevity, we recognize that a crucial link exists between talent, engagement and business outcomes, such as productivity and profitability. Members of the organizational development, learning and talent acquisition teams continue to work toward ensuring our company has a stellar workforce, by providing our employees with opportunities for learning and capability development.

In 2020, we focused our employee development work in three specific areas: building manager capabilities, increasing employee engagement, and enhancing our culture of inclusion and valuing diverse perspectives.

404-2

#### In-House Learning Opportunities

Ingevity hosts a robust in-house learning development platform called Grow, which includes on-demand, online content and classroom-style learning options that are available to all employees—in local languages, where possible.

#### Ongoing Development Opportunities: Project Mosaic

As a significant investment back into our company, Ingevity is engaged in a two-year implementation project that will configure our business operations with an upgraded SAP system. This project, which we refer to as Project Mosaic, requires about 30 full- and part-time roles, which creates new openings within our company for employees who are looking for a growth opportunity within the organization. In addition, the responsibilities left behind by those who have moved onto a Project Mosaic assignment may create opportunities for others to take on stretch assignments that will grow their skill sets. Contributors may be called upon during the building and testing phases to share their knowledge and expertise, and, towards the end of the implementation, there will be training and learning opportunities available for SAP users in their existing roles.



404-3

**Percentage of employees receiving regular performance and career development reviews** — Our specific disclosure 404 Training and Education aligns with the management approach of our material topic Employee Development.

### [Perform]ance Management

In 2019, we launched a more modern approach to performance management, called Perform. This approach encourages collaborative partnerships and ongoing conversations between managers and employees to improve performance, meet goals, drive business results and increase employee engagement. Performance conversations occur monthly at a minimum, and quality is monitored through frequent surveys.

404-3

We believe in providing ongoing performance feedback and career development discussions through monthly check-ins between managers and salaried employees. In lieu of formal performance ratings, managers review each employee's progress against goals, direct contributions and the level of impact they had on the business to evaluate performance. 100% of eligible Ingevity salaried employees received performance evaluations as a part of the merit process for the 2020 year. Our hourly workforce does not take part in this process.

### Diversity and Equal Opportunity

Our specific disclosure 405 Diversity and Equal Opportunity aligns with the management approach of our material topic Inclusion and Diversity.

**Diversity of governance bodies and employees** — Our specific disclosure 405 Diversity and Equal Opportunity aligns with the management approach of our material topic Inclusion and Diversity.

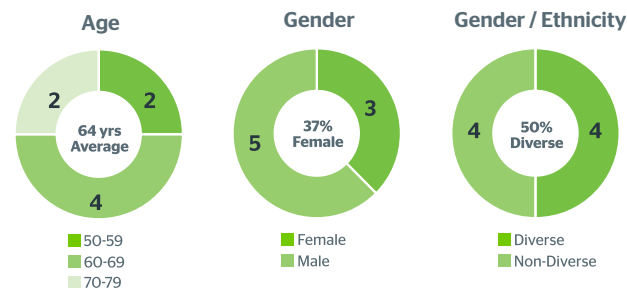
As a publicly traded company, Ingevity is governed by a one-tiered system of eight board members, seven of whom are independent. John C. Fortson was named as the company's president and CEO effective September 1, 2020. The company's Corporate Governance Guidelines, which are published and available online, outline the structure of governance at the company. <https://ir.ingevity.com/corporate-governance/corporate-governance-documents/default.aspx>

Currently, the gender diversity of our board of directors is at 37%. In 2019, Ingevity's board of directors assigned the Nominating, Governance and Sustainability Committee with oversight of the company's sustainability program and initiatives. As of August 2020, the committee consists of Mike Fitzpatrick, Diane Gulyas, Fred Lynch, Luis Fernandez-Moreno and Karen Narwold.

### Board Composition and Diversity

Our board is committed to ensuring that it has the right mix of skills, background, tenure, experience and diversity. The current composition of our board is as follows:

405-1



Ingevity's total workforce was comprised of 1,737 employees as of December 31, 2020. Women in leadership roles increased to 30% in 2020, up from 23%. Again, this is noteworthy considering the overall composition of the specialty chemicals manufacturing industry's workforce, which is primarily male. More information on our employee demographics can be found in the data appendix of this report.

405-1	Total Employees	1737	
	Total Management	255	14.68%
	Total Professional	720	41.45%
	Women	461	26.54%
	Women in Management	77	30.20%
	Women in Junior Management	48	33.57%
	Women Top Management	7	25.00%
	Women in Commercial Management	59	25.43%
	Women in STEM	88	23.47%

#### Local Communities

Our specific disclosure 413 Local Communities aligns with the management approach of our material topic Our Communities.

**Percentage of operations with implemented local community engagement, impact assessments, and development programs** – Our specific disclosure 413 Local Communities aligns with the management approach of our material topic Our Communities.  
RT-CH-210a.1

#### 413-1

In 2020, 100 percent of Ingevity's operating facilities actively participated in community engagement and programs. We encourage our employees to get involved in community engagement programs, offering a robust employee volunteerism program. This is designed to strengthen relationships with organizations that support our values as a business. Please reference the Our Communities and Stakeholder Engagement sections in this report for additional information.



# SASB INDEX

Topic	Accounting Metric	Category	Code	Location
Greenhouse Gas Emissions	Gross global Scope 1 and Scope 2 emissions,	Quantitative	RT-CH-110a.1	Sustainability Report – GHG Emissions – Environmental Protection GRI Index p. 58
	Discussion of long-term and short-term strategy or plan to manage Scope 1 and Scope 2 emissions, emissions reduction targets and an analysis of performance against those topics.	Discussion and Analysis	RT-CH-110a.2	Sustainability Report – GHG Emissions – Environmental Protection GRI Index p. 58
Air Quality	Air emissions of the following pollutants: (1) NOX (excluding N2O), (2) SOX, (3) volatile organic compounds (VOCs) and (4) hazardous air pollutants (HAPs)	Quantitative	RT-CH-120a.1	Sustainability Report – Other Air Emissions Environmental Protection GRI Index p. 59
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	Quantitative	RT-CH-130a.1	Sustainability Report – Energy Environmental Protection GRI Index p. 56
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with high or extremely high baseline water stress	Quantitative	RT-CH-140a.1	Sustainability Report – Water Environmental Protection GRI Index p. 57
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Quantitative	RT-CH-140a.2	Sustainability Report – Water Environmental Protection GRI Index p. 57
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	RT-CH-140a.3	Sustainability Report – Water Environmental Protection GRI Index p. 57

Topic	Accounting Metric	Category	Code	Location
Hazardous Waste Management	Amount of hazardous waste generated; percentage recycled	Quantitative	RT-CH-150a.1	Sustainability Report – Waste Environmental Protection GRI Index p. 57
Community Relations	Discussion of engagement processes to manage risks and opportunities associated with community interests	Discussion and Analysis	RT-CH-210a.1	Sustainability Report – Community Ingevicares Engagement Strategy Personal Process and Public Safety – GRI Index p. 48, 66
Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Quantitative	RT-CH-320a.1	Sustainability Report – Personal, Process and Public Safety GRI Index p. 60
	Description of efforts to assess, monitor and reduce exposure of employees and contract workers to long-term (chronic) health risks	Discussion and Analysis	RT-CH-320a.2	Sustainability Report – Personal, Process and Public Safety GRI Index p. 55
Product Design for Use-phase Efficiency	Revenue from products designed for use-phase resource efficiency	Quantitative	RT-CH-410a.1	Sustainability Report – Materials GRI Index p. 55
Safety & Environmental Stewardship of Chemicals	(1) Percentage of products that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products that have undergone a hazard assessment	Quantitative	RT-CH-410b.1	Sustainability Report – Product Stewardship GRI Index p. 49
	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with	Discussion and Analysis	RT-CH-410b.2	Sustainability Report – Product Stewardship GRI Index p. 49

Topic	Accounting Metric	Category	Code	Location
Genetically Modified Organisms	Percentage of products by revenue that contain genetically modified organisms (GMOs)	Quantitative	RT-CH-410c.1	Not applicable to Ingevity products.
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Discussion and Analysis	RT-CH-530a.1	As a global manufacturer of specialty chemicals, we operate in a business environment that includes risks.
				To identify these risks, we annually employ an enterprise risk assessment framework that involves Ingevity executives and board members to prioritize the risks based on magnitude and likelihood of occurrence. Management is responsible for the development and execution of mitigation plans for key risks on a continuous basis.
				Information about these and other risks can be found in the Annual Report, Item 1A (pages 12-26).
				In addition, our 2021 Proxy Statement outlines the Board of Directors' role in risk management.
				Information also can be found in the Product Stewardship section of our GRI Index. GRI Index p. 49

Topic	Accounting Metric		Category	Code	Location
Operational Safety, Emergency Preparedness & Response					Information on our engagement with government agencies can be found in the Stakeholder Engagement section of the GRI Index.
	Process safety incidents count (PSIC), process safety total incident rate (PSTIR) and process safety incident severity rate (PSISR)		Quantitative	RT-CH-540a.1	Sustainability Report – Personal, Process and Public Safety GRI Index p. 60
	Number of transport incidents		Quantitative	RT-CH-540a.2	Sustainability Report – – Personal, Process and Public Safety GRI Index p. 60
Activity Metric		Category		Unit of Measure (MT)	Code
Production		Quantitative		705,253 Metric tons	RT-CH-000-A



## Forward-looking statement

This Sustainability Report Update contains forward-looking statements about Ingevity's financial and non-financial results, estimates and business prospects that involve substantial risks and uncertainties. You can identify forward-looking statements by the use of words such as "anticipate," "estimate," "expect," "aim," "project," "intend," "plan," "believe," "will," "should," "could," "target," "forecast," and other words and terms of similar meaning in connection with any discussion of future operating, financial performance, or business plans or prospects. In particular, such statements may include, but are not limited to:

- statements which may relate to the purpose, ambitions, aims, commitments, targets, plans and objectives of Ingevity's sustainability goals;
- financial data or information derived from Ingevity's filings with the Securities and Exchange Commission (the "SEC");
- environmental, health and safety data as such information relates to Ingevity's business and sustainability objectives; and
- social data relating to employees, social practices and community engagement from various databases, some of which are not controlled and cannot be fully verified by Ingevity.

Forward-looking statements are based on certain assumptions and expectations of future events and trends that are subject to substantial risks and uncertainties. Actual future results and trends may differ materially from historical results or those reflected in any such forward-looking statements, depending on a variety of factors and circumstances, many of which are outside the control of Ingevity.

The company assumes no obligation to update any forward-looking statements contained in this report as a result of new information or future events or developments.

The term "material" used in this report is used to refer to relevant sustainability topics which potentially merit inclusion in this report and that can reasonably be considered important for reflecting our environmental, social and governance goals and performance. "Material" for the purposes of this report should not, therefore, be read as equating to any use of the word in filings that Ingevity has made or will make with the SEC.

No part of this Sustainability Report Update constitutes, or shall be taken to constitute, an invitation or inducement to invest in Ingevity or any other entity and must not be relied upon in any way in connection with any investment decisions. With respect to information regarding Ingevity's financial condition and results of operations, along with disclosure regarding the most significant risk factors affecting our company, please refer to our filings with the SEC, including our Annual Report on Form 10-K for the year ended December 31, 2020 and our subsequently filed reports, which filings are available from the SEC.





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