

GRACE

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W. R. Grace & Co. GRI Report

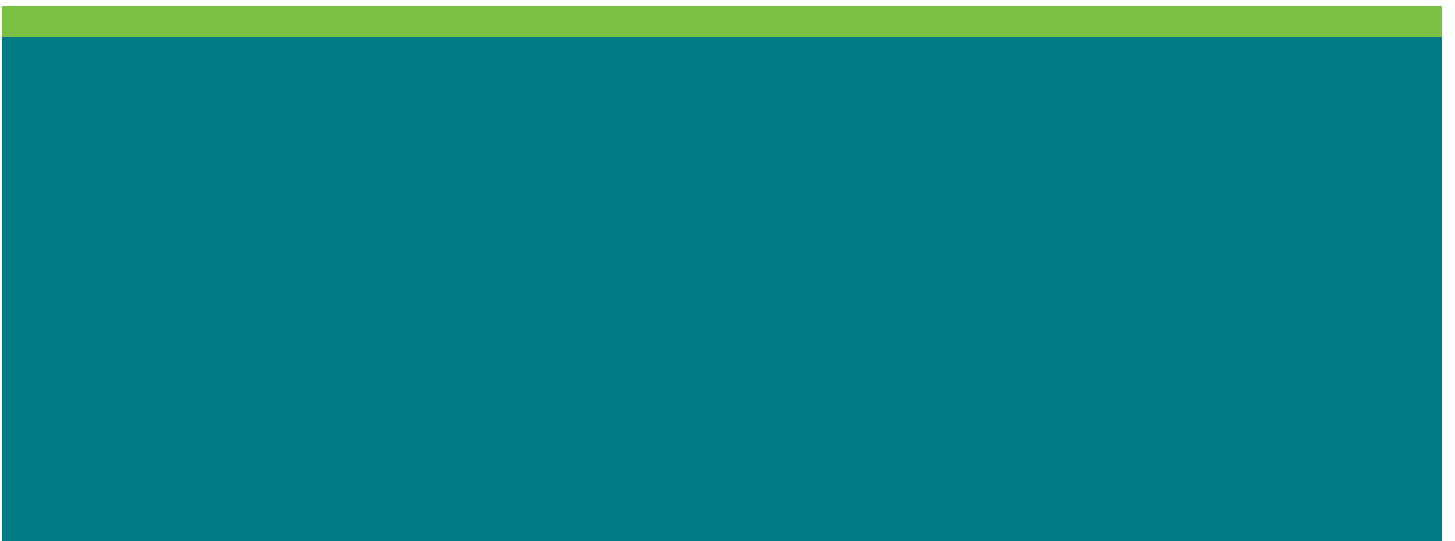


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About This Report

GRI 102-45, 102-46, 102-47, 102-48, 102-49, 102-50, 102-51, 102-52, 102-53, 102-54, 102-56

This report describes W. R. Grace and Co.'s (Grace) sustainability strategy and initiatives for the calendar year 2020, covering all manufacturing and administrative facilities under Grace's operational control. This report has been prepared in alignment to the GRI Core Option requirements.

On September 22, 2021 Grace was acquired by Standard Industries Holdings Inc., a privately held global industrial company. All references to Grace's governance structure, board committees and leadership were accurate as of calendar year 2020.

We consider SASB's materiality matrix for the chemical industry as relevant to Grace and have used that as the basis for our report. In addition, Grace solicits input from a variety of stakeholders that informs its overall sustainability strategy and disclosure approach. A discussion on our materiality matrix can be found on our [website](#) and through the [SASB standard for the chemical industry](#).

Grace currently collects sustainability metrics on an annual basis. These metrics include greenhouse gas emissions, energy, water withdrawal and consumption, hazardous and non-hazardous waste generated, health & safety recordable incidents and Process Safety Tier 1 and 2 events. This data is aggregated, analyzed and reviewed by Grace's Corporate EHS function and other key internal stakeholders. While our data undergoes a robust internal quality control process, it has not undergone a third-party validation and assurance process. We are evaluating obtaining external assurance for our data collection and sustainability reporting process in the future.

The material topics that will be discussed in this report are listed below. The GRI standards addressed by each topic will be indicated as a marker below the topic heading.

- About Grace
- Economic Value Generated and Distributed
- Governance
- Ethics
- Stakeholder Engagement (Community, Customers, Raters, Employees, etc.)
- Employee Retention, Diversity, and Inclusion
- Health, Safety, and Process Safety
- Mitigation and Adaptation (Risk Management, Climate, Water, Physical and Transition)
- Natural Resource Management (GHG, Energy, Water, Waste)
- Product Safety and Sustainability
- Sustainable Sourcing

For any questions on this report, please contact John Oliver (john.oliver@grace.com) or Nathan Hipolito (nathan.hipolito@grace.com) of Grace's Corporate Sustainability team.

About Grace

GRI 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7

W. R. Grace & Co. is engaged in the production and sale of specialty chemicals and specialty materials on a global basis through two reportable business segments: Grace Catalysts Technologies, which includes catalysts and related products and technologies used in refining, petrochemical and other chemical manufacturing applications; and Grace Materials Technologies, which includes specialty materials, including silica-based and silica-alumina-based materials, used in consumer/pharma, chemical process, and coatings applications.

W. R. Grace & Co. delivers value through performance. Our catalysts and specialized silicas improve the products and processes of many of the world's best companies. Through world-class knowhow, collaboration, and experience, we help customers in 70 countries achieve some of their most important goals, from high-performing products and high-productivity manufacturing, to improved efficiency, sustainability, and profitability.

Grace currently operates manufacturing facilities in 9 countries globally: Brazil, Canada, Germany, Malaysia, Philippines, Republic of Korea, Spain, Sweden and the United States of America. Grace also owns its Corporate Headquarters located at 7500 Grace Drive, Columbia, Maryland 21044 USA.

Economic Value Generated and Distributed

Our Business Segments

GRI 102-9

Catalysts Technologies

Catalysts Technologies uses our significant catalysts knowledge and applications expertise to design and manufacture products to create significant value for our customers. Our customers include plastics and chemicals manufacturers as well as oil refiners. We believe that our technological expertise and broad technology platform provide a competitive advantage, allowing us to quickly design products that help our customers create value in their operations and their end markets. Our Catalysts Technologies products are manufactured by a network of globally coordinated plants. Our integrated supply chain organization is responsible for the effective utilization of our manufacturing capabilities.

Specialty Catalysts

Grace Specialty Catalysts provides process technology for polypropylene and a broad range of high-performance catalysts and supports for specialized processes in the chemical value chain, from plastics to petrochemicals.

We are the only fully integrated supplier of polyolefin catalyst solutions across all process and catalyst technologies. Our strong strategic position is particularly evident in our worldwide polyolefin catalysts and process technology licensing business. After investing \$1.2 billion in accretive, synergistic acquisitions over the past seven years, including five new plants on three continents, we offer customers the broadest and most technically advanced portfolio of polyolefin catalysts technologies that enable the production of high performance and differentiated resins. Polyolefin catalysts are used to produce plastics including HDPE (high density polyethylene), LLDPE (linear low density polyethylene) and PP (polypropylene).

Applications include packaging, consumer/ housewares, food packaging, construction, and automotive segments providing recyclable, lightweight, durable and versatile materials.

Grace's POLYTRAK® catalyst enables manufacturers to produce plastic auto parts for automotive applications that aid in reducing vehicle weight and improving fuel efficiency.

US Department of Energy estimates that reducing a vehicle's weight by 10% can increase its fuel economy by 5-7%. U.S. carmakers will be relying more on plastics and plastic composites to reduce the weight of the cars they produce in order to meet the U.S. government requirement for 54.5 miles per gallon by 2025. Industry analyst IHS Chemical estimates that the use of plastic in cars will jump by 75% by 2020.

Grace's POLYTRAK® catalyst enables manufacturers to produce key polypropylene grades for automotive applications, including exterior, interior and under-the-hood components. The growth in these applications come from replacement of more costly polymers and metal. The improved strength to weight ratio of reinforced polypropylene grades means that weight can be reduced by up to 50 – 80% over aluminum and steel parts.

FCC Catalysts and Additives

We are a global leader in developing and manufacturing fluid catalytic cracking, or FCC, catalysts and additives. Our FCC products also enable refiners to reduce emissions from their FCC units and reduce sulfur content in the transportation fuels they produce. Oil refining is a highly specialized discipline, and FCC catalysts must be tailored to meet local variations in crude oil feedstocks and a refinery's desired product mix. We work regularly with our customers to identify the most appropriate catalyst and additive formulations for their changing needs. FCC units are designed to produce a broad spectrum of refined product yields, including gasoline, middle distillates, and liquefied petroleum gas, or LPG. Traditionally, many FCC operators have focused on maximizing yields of transportation fuels. However, as demand for petrochemicals increases, a growing segment of refiners have transitioned their FCC operations with the primary objective of maximizing yields of petrochemical feedstocks, such as propylene.

Sustainability Product Story: DESOX

Sulphur oxides (SOx), nitrogen oxides (NOx) and carbon monoxide (CO) are all air pollutants regulated by global regulatory agencies including US EPA. SOx and NOx play a major role in the generation of smog and can lead to acid rain, which impacts crops, forests and aquatic species and contributes to the acidification of both soils and oceans. The acidification of soils from acid deposition reduces nutrient availability limiting above and below ground biomass production. This prevents carbon sequestration and reduces the effectiveness of the second largest global carbon sink. Preventing further soil degradation and allowing soil restoration could lead to increased removal of carbon from the atmosphere helping mitigate climate change. (2021 CDP Climate Change, p.54)

Our Environmental Additives portfolio has, for over 25 years, enabled cleaner operation of refineries by allowing for significantly reduced SOx, NOx, and CO emissions from the refinery, with zero capital investment required. We continue to innovate and invest to make these materials even more efficient than today's existing technologies. (2021 CDP Climate Change, p.54)

Grace's ART® Hydroprocessing catalysts technologies (ART) enable refiners to produce cleaner transportation fuels. Feedstocks can be naturally high in sulfur and nitrogen which produce oxides when burned. Sulphur oxides (SOx) and nitrogen oxides (NOx) are air pollutants regulated by global regulatory agencies including [US EPA](#). SOx and NOx play a major role in the generation of smog and can lead to acid rain, which impacts crops, aquatic species, forests and contributes to the acidification of the oceans. And they can be harmful to human health in high concentrations.

Hydroprocessing enables refiners to remove these contaminants and produce fuels that meet stringent environmental regulations, and ART's hydroprocessing catalyst portfolio enables customers to meet low sulfur fuel regulations by reducing sulfur content by 75-99%.

ART's DHT and HCR catalysts remove over 99% of all feed sulfur in many applications. Our FBR products remove over 90% of sulfur and our EB products tackle the most challenging streams to remove over 75% of sulfur from these feeds. In an average hydroprocessing unit, Grace catalysts can remove over 200 million pounds of sulfur annually. (2021 ART Sustainability Product Stories)

Materials Technologies

Materials Technologies uses our significant specialty silica, zeolite and fine chemical knowledge and applications expertise to design and manufacture products to create significant value for our customers. Our customers include pharmaceutical companies, consumer products manufacturers, coatings manufacturers, emission control system manufacturers, petrochemical and natural gas processors, and plastics manufacturers.

Silica-Based Products

We globally manufacture functional additives and process aids, such as silica gel, colloidal silica, zeolitic adsorbents, precipitated silica and silica-aluminas, for a wide variety of applications and end-use industries. We also custom manufacture fine chemical intermediates and regulatory starting materials used primarily in the pharmaceutical and nutritional supplements industries.

Our materials are integrated into our customers' manufacturing processes and when combined with our technical support, can increase the efficiency and performance of their operations and their products. By working closely with our customers, we seek to help them respond quickly to changing consumer demands.

In 2020 we deepened our collaboration with customers to align some of our Materials Technologies product capabilities to support customers in addressing the global COVID-19 pandemic. Our silica-based technology provides separation capabilities found in the PCR (polymerase chain reaction) test kits. Similarly, our silica-based materials are used in purifying lipids that are required to hold together mRNA used in two of the leading COVID-19 vaccines.

Sustainability Product Story: SYLOID® MX 110 Silica

In 2021, we launched SYLOID® MX 110 silica, a product specifically developed to fulfil the increasing technical challenges of matting environmentally friendly coatings (low VOCs) where film shrinkage during drying is minimal. SYLOID® MX 110 silica is a uniquely designed amorphous silica structure that provides superior matting ability at low concentrations. It delivers an environmentally friendly (low VOC) solution in VOC-compliant coatings systems, while allowing use of less matting agent for the same amount of unit. It does not contain respirable crystalline silica. In addition, our silica is a synthetic manufactured material that is similar to a naturally occurring mineral. Grace manufactures this product in a controlled environment to achieve certain properties.

Sustainability Product Story: DARACLAR® Silica

Food, Beverage, and Pharma companies as part of our Materials Technologies Business are reliant on the availability of water for their products and processes. Grace has worked with our customers in water intensive industries to develop products specifically designed to reduce water consumption and solid waste. Grace's DARACLAR® 9000HP Silica reduces water consumption during filtration and stabilization for beverage companies by 58.2% leading to significant water savings in these process steps. Based on a Grace case study, for an average cost of US\$ 70 per cycle for filtration Cleaning In Place (CIP) cycles which includes chemical and water treatment costs, customers will be able to save 66,850 Liters of water and a reduced filtration CIP cost by 62%.

Filtration is typically referred to as a mechanical process used to separate undesired impurities from the main liquid stream. In the brewing process, beer is typically mixed with a filter aid, such as Diatomaceous Earth (DE), that is retained on a filter septum. Clarified beer goes through the DE filter cake that is then removed and usually disposed of as landfill. Regardless of possible reuse scenarios, the brewing industry has committed to reduce or eliminate the use of DE not only to reduce costs associated with its disposal but also as a matter of health due to food safety risks associated with its use. DARACLAR® 9000HP silica was able to help the customer achieve a total DE reduction of 50% in volume reducing amount of solid waste to landfill.

Pharma

Grace supported critical COVID-19 PCR Testing. Promega products are used worldwide in COVID-19 research and vaccine development. Hospitals, clinical diagnostic laboratories and molecular diagnostic manufacturers also use Promega products to support SARS-CoV-2 testing globally. The products Promega manufactures from materials supplied by Grace are used in SARS-CoV-2 PCR testing to extract viral nucleic acid from patient samples. This step of the testing workflow is referred to as "sample preparation."

Our Commitment

GRI 103-1

We create value for customers and investors by profitably growing our specialty chemicals and specialty materials businesses and achieving high levels of efficiency and cash flow. To meet these objectives, we:

- Invest to accelerate growth and extend our competitive advantages;
- Invest in great people to strengthen our high-performance culture;
- Execute the Grace Value Model to drive operating excellence
- Acquire to build our technology and manufacturing capabilities for our customers.

Our Management Approach

GRI 103-2

Growth Strategy

Our businesses are well-positioned to grow through our customer-driven innovation, commercial and operating excellence and thoughtful, disciplined merger and acquisition approach. Our businesses are interconnected through shared materials science and our highly integrated global manufacturing and supply chain operations. Our organic growth drivers include: global demand for cleaner fuels; rising living standards and growing middle class incomes; stricter environmental standards; and increased focus on health and wellness.

Grace Value Model

The Grace Value Model is our framework for creating and delivering value to customers, investors and employees. At the Company level, we create value through our focused portfolio, strong strategic position, and disciplined capital allocation. At the business level, we create value through customer-driven innovation, commercial excellence, and operating excellence. Linking and enabling all of these elements are great talent, high-performance culture, and integrated business management processes. Our ability to rigorously execute the Grace Value Model is a principal source of our competitive advantage in the global marketplace and our financial performance. The Grace Value Model is illustrated as follows:



Our Performance

In 2020, the global COVID-19 pandemic tested the agility and resiliency of companies around the world. Grace made early strategic decisions to protect our employees and growth investments and to implement aggressive cash and cost reduction actions. By focusing on our technology leadership and continuing our commercial and operating excellence initiatives, we are emerging strong and well-positioned for recovery and growth in 2021.

In the Pharmaceutical and Consumer markets, our Materials Technologies segment combined its expertise in specialty silica and separation technology to design specialty materials for PCR (molecular test or polymerase chain reaction) test kits and mRNA vaccines used in the fight against COVID-19. In the Coatings market, we accelerated the introduction of key additives for more environmentally friendly, aqueous-based coatings formulations, enhancing our customers’ ability to meet or exceed evolving regulations.

ART® Hydroprocessing catalysts technologies, provided through our joint venture with Chevron, remain in high demand as regulations around the world continue the move to cleaner-burning fuels, and transportation fuels demand increases in developing economies. These leading technology catalysts upgrade heavy oils, enabling refiners to use less-expensive feedstocks and improve their profitability.

Sales for 2020 decreased 11.7% overall and on constant currency compared with the prior year. The decrease was driven by lower sales volumes resulting primarily from the COVID-19 pandemic, partially offset by improved pricing in both segments. Lower sales volumes in Catalysts Technologies were

primarily due to lower demand for global transportation fuels and refinery operating rates driven by the COVID-19 pandemic and recession and a generally weaker manufacturing environment during the 2020 first quarter. In Materials Technologies, growth in pharma/consumer end markets was offset by weakness in chemical process end markets.

Gross margin decreased 490 basis points to 35.6% from 40.5% for the prior year. Adjusted Gross Margin decreased 370 basis points to 37.7% from 41.4% for the prior year. The decreases were primarily driven by under-absorbed fixed costs resulting from lower production volumes and inventory reductions, partially offset by improved product mix and cost mitigation actions. Strong sequential improvement in the second half of the year was primarily driven by higher production rates.

Sales for 2019 increased 1.3% overall compared with the prior year, up 3.0% on constant currency. The increase was driven by improved pricing in both segments and all regions. Higher sales volumes in Catalysts Technologies were driven by Specialty Catalyst growth in EMEA and Asia Pacific and the 2018 second quarter polyolefin catalysts acquisition, partially offset by certain discreet items. Sales volume in Materials Technologies were up driven by growth in the Americas, partially offset by a decline in Asia Pacific and EMEA.

Gross margin increased 80 basis points to 40.5% from 39.7% for the prior year. Adjusted Gross Margin increased 70 basis points to 41.4% from 40.7% for the prior year. Improved pricing, higher sales volumes, favorable mix, and lower depreciation were partially offset by higher manufacturing costs, including a 20 basis point impact related to higher raw materials and energy costs.

Governance

GRI 102-18

Board Leadership

Grace governance is led by its Board of Directors.¹ We have established corporate governance principles, business ethics, and conflicts of interest policies to guide employees in their daily business interactions. The policies reaffirm Grace's commitment to comply with all applicable laws and be governed by the highest level of business ethics. (Policy 506, p. 1) In addition, Grace's Environment, Health, and Safety (EHS) Management System is Grace Company policy, with all appropriate audit and compliance procedures.

The standing committees of the Board of Directors are²:

- Audit Committee
- Compensation Committee
- Nominating and Governance Committee
- Corporate Responsibility Committee

(2021 Proxy, p.16)

Additional information on our Board of Directors can be found in pages 16-19 of our [2021 Proxy](#).

¹ On September 22, 2021 Grace was acquired by Standard Industries Holdings Inc., a privately held global industrial company. (Grace.com Press Release 9/22/21) All references to Grace's governance structure, board committees and leadership were accurate as of calendar year 2020.

² See footnote 1

Sustainability Governance

The Corporate Responsibility Committee composed of all members of the board including the chairman, CEO and all other board members³. This committee assists the Company's Board of Directors and management in addressing the Company's responsibilities as a global corporate citizen (including its responsibilities to its various stakeholders, such as shareholders, customers, employees and the communities in which the Company operates). The Committee addresses the Company's responsibilities in a wide range of areas, including affirmative action, equal employment opportunity and diversity initiatives; corporate contributions and community service programs; corporate training programs; sustainability; environmental, health and safety matters, and climate-related issues as they rise to the level of importance that would have a substantive impact on the operations or finances of the Company. The Board of Directors decided to endorse our emissions reduction target of 22% over 10 years in line with SBTi's limiting warming to well below 2°C above pre-industrial levels.

The Grace Sustainability Leadership Team is responsible for the strategic development, planning, and oversight of sustainability issues and initiatives throughout the organization. It is comprised of business presidents and Integrated Supply Chain leaders. It is chaired by the Senior Vice President Public Affairs and Environment, Health, and Safety, Chief Sustainability Officer, a corporate officer directly reporting to the CEO and Board of Directors, and has executive oversight of all Environmental, Health, and Safety programs at Grace.

Risk Mitigation and Adaptation

GRI 102-15, 201-2

Grace recognizes that it faces emerging transition and physical risks related to climate change which can negatively impact its operations and business. In addition, the global recession brought about by the COVID-19 pandemic negatively affected our operations and business. We evaluate these risks through our Enterprise Risk Management Committee, comprised of cross-functional Grace senior leaders. These risks are reported on a semi-annual basis and to the Corporate Responsibility Committee as needed.

Transition Risks

Regional, national and international governments are increasingly regulating GHG emissions through cap and trade systems, such as the EU's Emission Trading System or the proposed carbon pricing mechanism in North America. Emission credit prices associated with these systems may result in increased operating cost for Grace facilities. To mitigate this, Grace has begun integrating an assumed carbon price into the capital planning process, particularly for facilities under the EU-ETS, to promote investments in projects that meet our sustainability objectives.

The growth of electric vehicles and emerging regulations may lead to reduced demand for liquid transportation fuels. The resulting decrease in refining activities could negatively impact our revenues and business.

³ See footnote 1.

Physical Risks

Certain Grace facilities globally are located in areas that may be prone to increasing severe weather events such as hurricanes and flooding which can result in production disruptions. These weather events can also negatively impact our suppliers and customers, which can delay raw material and utility supply to our facilities and decrease production demand. In 2020, Hurricane Laura damaged our Lake Charles, Louisiana facility and employee housing, and also disrupted supply to our customers.

Our response actions included provision of temporary housing and emergency supplies for affected employees, bringing in temporary power generation, meeting customer demand from inventory and shifting production to alternate locations.

COVID-19 Pandemic

The COVID-19 pandemic has led to significantly lower transportation fuel demand and a reduction in refining activity, which has negatively affected demand for our refining catalysts. Demand for certain manufactured products, including polyolefin resins and products made with our specialty silicas, declined and negatively affected demand for our polyolefin catalysts and specialty silicas. The pandemic continues to present significant uncertainty.

The COVID-19 pandemic has also heightened risks associated with our internal operations. An outbreak among our employee population could have a material adverse effect on our overall business and financial condition. Additionally, many of our employees are working remotely as a result of restrictions imposed to control the spread of the virus. This could result in increased cybersecurity risk, which could have a material adverse effect on our overall business and financial condition.

Grace initiatives in response to the COVID-19 pandemic include:

- Formation of COVID-19 Response Team to lead response efforts
- Shifted employees to remote work where feasible
- Paid COVID-19 testing, PPE provision and institution of safe work protocols for all on-site employees at manufacturing facilities
- Maintained benefits and compensation for employees with limited layoffs
- Minimized manufacturing and laboratory downtime
- Leverage virtual technology for customer start-up, technical support and educate and value-sell our products to customers

Ethics

GRI 102-16, 102-17

Our Commitment

GRI 103-1

Grace is dedicated to the values of teamwork, performance, integrity, speed, and innovation. Grace expects the highest level of ethical behavior from its employees and representatives throughout its global operations. Our Business Ethics and Antitrust Compliance policies embody our unwavering commitment

to integrity and ethics and outlines the principles that each director, officer, employee, and other representative acting on behalf of Grace and its subsidiaries are expected to follow.

Our Management Approach

GRI 103-2

Grace conducts periodic corruption and bribery risk assessments through the Board of Directors Audit Committee⁴ which oversees Grace's Internal Audit function. The internal audit function is designed to provide independent, objective assurance and advisory results to evaluate and improve the effectiveness of business, risk management, control, and governance processes. Control procedures are audited on a regular basis using independent third-party auditors as well as internal audits through the independent internal audit function.

Grace frequently audits with due diligence for projects that have a higher risk of fraud or corruption. In addition, continuous monitoring is done across all functions for various business activities such as travel and transactions, with advanced data analytics being used for high-risk transactions. Rollout of additional internal controls and Company training across functions related to fraud and anti-bribery are being done currently, with more to be expected in the future.

Grace, through its Board of Directors has established an Ethics and Integrity Action hotline that employees, customers, vendors, or other interested persons can use to anonymously report violations of or express concerns regarding (including, but not limited to, any matters involving accounting, internal accounting controls, audit matters or fraud). Stakeholders can also express their concerns to their Grace contact, the Chief Ethics Officer or the independent Chairman or Lead Independent Director, as appropriate.

We provide annual training for all employees on our business ethics and antitrust compliance policies. Upon completion of these trainings, select employees are required to sign the Ethics Certificate to certify that they will conduct all business on behalf of Grace in compliance with all applicable laws and regulations and in conformance with these policies. The Antitrust Compliance policy provides employees with guidelines covering relations with competitors, customers, mergers and acquisitions, joint ventures, and documentation.

Our anti-corruption policy is also incorporated into our Supplier Code of Conduct. Grace requires 100% of its suppliers to abide by the Code and encourages its Suppliers to require their suppliers and subcontractors to follow the principles of this Code in their operations. Failure of a Supplier to comply with the requirements in this Code may be considered a material breach by Grace in the related contract(s) or transaction(s) between Grace and Supplier and Grace may terminate such contract(s) or transaction(s) with Supplier at its discretion as a result.

Our Performance

GRI 103-3, 205-1, 205-2, 205-3, 206-1

Grace's Audit Committee conducts regular reviews of the Internal Audit function's performance and all corruption, bribery and antitrust risk assessments during the calendar year. The Audit Committee held 5 meetings in 2020. Our Chief Ethics Officer also reviews all calls made to the Ethics Hotline for potential

⁴ On September 22, 2021 Grace was acquired by Standard Industries Holdings Inc., a privately held global industrial company. (Grace.com Press Release 9/22/21) All references to Grace's governance structure, board committees and leadership were accurate as of calendar year 2020.

business ethics breaches such as antitrust violations or corruption incidents. In 2020, we received 9 calls to the Ethics Hotline and had 0 business ethics policy breaches. We also had 0 corruption and anti-trust incidents in 2020.

In 2020, 100% of the 2,056 selected employees signed our ethics certification. All 4,000 Grace employees received ethics training on the below courses:

- Developing Ethical and Culture Course
- Retaliation, Age Discrimination, Diversity
- Sexual Harassment Training

Our anti-corruption policy is also incorporated into our Supplier Code of Conduct, signed by 100% of Grace suppliers with annual spend over \$1 Million per year.

Stakeholder Engagement

GRI 102-40, 102-42, 102-44, 403-4

Grace is an active member of the communities and markets in which we participate. We recognize that our operations, products and services impact a variety of internal and external stakeholders, which include our customers, investors, employees, communities, regulators and many more. We regularly engage with these stakeholders through formal and informal channels to understand their interests and maintain mutually beneficial relationships with them. We also communicate our sustainability performance to our stakeholders and consider their feedback as valuable inputs for the continuous improvement of our sustainability initiatives.

Approach to Stakeholder Engagement

GRI 102-43

Grace is an active member of the communities and markets in which we participate. We rely heavily on our understanding of this network and the voices of our customers and neighbors. Across a broad spectrum of stakeholders, we enable dialogue through a variety of channels.

Our Stakeholders	Sharing and Listening	Typical Areas of Interest
Customers	We are proud to serve many of the most respected and successful companies in the world. Large or small, our customers engage with us through our global sales network, customer service, our trusted distributors, our global technical service teams, and product development projects. We are active participants and frequent sponsors of conferences and events, from Grace user groups to the leading trade groups in countries around the world.	Our relationship with customers is built on talent, technology, and trust. Our mutual interest in the development, manufacture, and delivery of quality products that improve our customers' products and processes lies at the core of our engagement.

Candidates and Employees	<p>Prospective and current employees are the lifeblood of Grace. Our media channels range from regular face-to-face conversations to social media and our other digital connections, including the Careers section of our website.</p>	<p>Our relationships with candidates and employees are rich, deep, and highly consequential. Our commitment is to be as transparent as is legal and practical as we strive to identify countless opportunities for mutual benefit.</p>
Unions, Works Councils, and Safety Committees	<p>Many Grace employees are represented by unions or local works councils. Engagement with these groups is constant and an integral part of our operations in those locations. Employee-driven health and safety committees have been long-established at many of our sites.</p>	<p>Matters that fall within the purview of unions, bargaining units, and works councils span working conditions as well as ways to improve our business and commitments to other stakeholders. Worker health and safety is a key priority for our many safety committees that are a collaboration between employees, EHS staff, and site leadership.</p>
Suppliers	<p>Current and prospective suppliers reach us through our website and global Strategic Supply Chain organization. Our interaction is supported by the SAP Ariba solution.</p>	<p>We strive to achieve mutually beneficial partnerships with our suppliers around the world. We share our commitment to ethical standards through our Supplier Code of Conduct.</p>
Local Communities	<p>We participate in many advisory groups, neighborhood and business associations, and countless ad hoc conversations with our communities around the world. Our employees volunteer time, talent, and charitable gifts that often are matched by Grace.</p>	<p>Each of our facilities is engaged with groups in their area on matters of public safety, charitable giving, health and human services, education, and more.</p>
Industry Groups	<p>We are members of many industry, trade, and professional associations around the world. Our participation spans the breadth of ways in which these groups engage their members.</p>	<p>Our participation is driven and informed by many priorities including our need to be aware of developments affecting our business and many stakeholders. In our industry, trade groups offer a means to engage customers, comply with regulations, and much more.</p>
Regulators and Policy Makers	<p>We engage with regulators and policy makers at various local, national, and international levels through a variety of methods and functions within Grace including our site leaders, business leaders, government affairs and communications team, trade associations, and legal counsel.</p>	<p>Grace's engagement with regulators and policy makers is focused on ensuring compliance with laws and regulations affecting our business in jurisdictions around the world. Relationships are often collaborative and subject to disclosure under a variety of reporting standards.</p>

Engagement with Workers

For example, many Grace facilities have established worker-management health & safety committees to evaluate and eliminate Environment, Health, Safety, and Security (EHSS) risks as part of our Responsible Care Management System. Facilities also engage with our neighbors through community action panels and many participate in paid volunteering initiatives by our employees to support the development of their local communities. At the corporate level, Grace engages its customers on sustainability through the development of products designed to meet our customers' sustainability objectives and response to customers' sustainability questionnaires as part of their requirements for doing business with Grace.

Engagement with Suppliers

In our supply chain, Grace engages with suppliers on sustainability issues through its Responsible Sourcing Program. The foundation of our responsible sourcing approach is the Grace Supplier Code of Conduct, which outlines our requirements for suppliers in the areas of environmental responsibility, labor and human rights, and business ethics. We assess the sustainability performance of our suppliers using a 3rd party supply chain ratings service. In 2021, suppliers representing approximately 70% of our direct material spend completed a supplier sustainability assessment.

These assessments are evidence-based, requiring document uploads to verify sustainability claims, and enable sourcing managers to assigned Corrective Actions. We incorporate these sustainability scores into our overall supplier risk assessment process and performance monitoring. Finally, we provide forums to train our suppliers on sustainability expectations. In 2021, we held two virtual townhall supplier sustainability trainings attended by approximately 80 supplier representatives.

Engagement with Communities

In 2021, our Baton Rouge, Louisiana facility received Wildlife Habitat Council's (WHC) Conservation Certification for its Wildlife Habitat Enhancement Program. It earned WHC's "Certified Silver" recognition for continuing to plant native cypress trees, installing turtle basking platforms, monitoring bluebird nesting boxes, improving the butterfly garden and cataloguing the wildlife seen on site. The program was established in 2011 and is an ongoing initiative between Grace, Albemarle and Ethyl employees.

Grace's Corporate Communications and EHS functions engage with internal and external stakeholders on key EHS issues through a variety of channels. Our Company-wide COVID-19 communications include Masking and Vaccination Updates, Travel Restrictions, Videos, and FAQs through our Company intranet, e-mail, webforms and other channels, with over 75% of US employees participating in the vaccine attestation form. We launched SMS emergency messages and mobile-based microsite for our Gulf Coast facilities affected by Hurricane Ida. Other EHS engagement initiatives include Hand Safety promotion as part of 2021 Safe Summer program led by our Curtis Bay facility.

Additional information can be found in the [Stakeholder Engagement](#) section of our website.

People, Inclusion and Diversity

Our Commitment

GRI 103-1

Grace's great talent and high-performance culture are the most important sources of our competitive advantage. Our high-performance culture is based on our commitment to performance and our five Grace Leadership Behaviors: Deliver Results; Think Critically; Be Authentic; Communicate; and Engage and Include. We aspire to strengthen these by welcoming and valuing the unique backgrounds, cultures, ethnicities, genders, experiences, perspectives, and contributions of our employees around the globe.

Our Management Approach

GRI 103-2, 401-2, 401-3, 404-2

Talent Acquisition and Retention

All employment decisions at Grace are based on business needs, job requirements and individual qualifications, without regard to race, color, religion or belief, national, social or ethnic origin, sex (including pregnancy), age, physical disability, HIV status, sexual orientation, gender identity and/or expression, marital, civil union or domestic partnership status, past or present military service, family medical history or genetic information, family or parental status, or any other status protected by the laws or regulations in the locations where we operate.

Grace also cultivates its talent pipeline through the 12-week Summer Internship Program, wherein qualified students work on projects across different functional areas that contribute to Grace's business objectives and complement their academic learning. Graduates of the Summer Internship Program are often recruited into the 3-year Manufacturing Leadership program upon completion of their undergraduate degrees. MLP Participants are given rotational assignments across various Integrated Supply Chain areas for facility and corporate roles. The program provides participants with valuable experience in Grace's operations and processes and prepares them for future leadership roles within Grace.

Professional Development

Grace uses multiple approaches to encourage and reinforce the ongoing professional development of its people's talents. Our high-performance culture is fueled by the engagement and inclusion and diversity of our workforce's array of experiences as well as their innate curiosity and desire to be lifelong learners.

Grace encourages the creation of robust development plans and a healthy coaching relationship between employees and their managers. All are encouraged to consider ways to improve technical, business, and leadership capabilities for both their current role and any potential roles they may aspire to. Employees are expected to take responsibility for their growth and development plan, seek support when needed, take advantage of tools and resources, and continually reassess their needs and plans. Managers are accountable for supporting these efforts and role modeling leadership behaviors.

Employees are encouraged to apply a 70-20-10 rule of thumb—70 percent of learning from work/job experience; 20 percent coaching, feedback, and peer mentoring; and 10 percent formal training—when planning their development and to work with their manager to identify real-world opportunities. For the 10

percent of traditional development, there is a wide array of business, professional, and leadership training available in the Company's online learning center and through facilitated courses.

Grace supports continuing education, including tuition reimbursement for eligible employees.

Diversity and Inclusion

In 2020, Grace launched its D&I Commitment Statement. It reflects our aspirations and is an early step in a cultural shift that will take place over many years. Like our commitment to safety, our actions to improve our effectiveness in D&I will never end. And like our approach to safety improvement, we know we must be self-reflective, honest and transparent with employees if we expect to grow and achieve our aspiration.

Our D&I approach centers on five core pillars around which we plan ongoing improvement activities:

- Transparent Communication
- Executive Commitment
- Employee Engagement
- Practices and Policies
- Meaningful Measurement

In addition to these five pillars, Grace has committed to deeply and systematically probing the perceptions, reactions and ideas of our employees as we roll out new improvement ideas and actions, embracing them as partners in our D&I approach.

Grace has initiated workshops such as Unconscious Bias and Inclusive Leader Training, Communicating Across Differences: measuring perceptions of inclusion and engagement; and tracking our representation across key locations and roles—all of which will all be woven into our holistic plan for improving D&I.

Total Rewards

Grace is dedicated to achieving equal opportunity for all employees and applicants for employment. In this connection, we comply with the Equal Employment Opportunity Posting (for U.S. locations) policy.

We provide the following benefits to all full-time U.S.-based employees at all of Grace's significant operating locations. We offer similar benefits to employees at our international facilities in compliance with local employment laws.

Medical	Physera
Dental	Livongo
Vision	Omada
Flexible Spending Account	Critical Illness Insurance
Life Insurance	MetLaw Legal Services
Supplemental and Dependent Life Insurance	Health Advocate
Accident Insurance	Employee Assistance Program
Business Travel Insurance and Assistance	Tuition Reimbursement
Parental Leave	Savings and Investment
Short- and Long-Term Disability Insurance	Retirement Contribution Plan

Grace Wellness Program	Company Donation Match Program
Holidays/Vacation	

Transition Assistance Programs

Grace makes every effort to reduce the impact of layoffs that occur during operations in a highly dynamic and competitive industry. Where changes in workforce are unavoidable, Grace works to lessen the impacts to its employees:

- Separation package based on pay and tenure for qualified involuntary.
- Outplacement services to assist employees with finding a new employer if layoffs occur.

Our Performance

GRI 103-3, 401-1, 404-1, 404-3, 405-1, 405-2, 406-1

Executive Diversity and Inclusion

The Nominating and Governance Committee⁵ has included diversity of industry and product experience among its criteria for recommendation and nomination of director candidates. In 2020, 29% of our independent directors were women, and on the Grace Leadership Team, 50% of our executives are women or people of color, including three of four business unit leaders.

Our corporate Human Resources regularly reviews diversity and inclusion within our organization. In 2020, all 4,000 Grace employees completed training on the following diversity and inclusion modules:

- Developing An Ethical Culture Course
- Retaliation, Age Discrimination, Diversity
- Sexual Harassment

We are currently undertaking a diversity and inclusion benchmarking survey to identify additional opportunities for improvement.

Professional Development

We have invested heavily in our global talent and talent management system, which includes aligned goal setting, ongoing feedback and coaching, effective performance reviews, and a continuous cycle of professional development. We have also invested significantly in talent development and effectiveness, including over \$6 million and 50,000 hours of commercial excellence investment and training for our commercial teams since 2016. In 2019 and 2020, we refreshed more than 10% of our global workforce, including upgrading talent where needed and adding key leadership roles throughout the organization. Our voluntary workforce turnover rate was 5.4% in 2020.

⁵ On September 22, 2021 Grace was acquired by Standard Industries Holdings Inc., a privately held global industrial company. (Grace.com Press Release 9/22/21) All references to Grace's governance structure, board committees and leadership were accurate as of calendar year 2020.

Training Hours by Gender ¹	Number of Training Hours
Male	93,383
Female	19,035
Total	112,418

1 – Training data for operations personnel only and not inclusive of all training conducted globally.

Training Hours by Employee Category	Number of Training Hours
Early Career	6,277
Mid Career	8,172
Late Career	7,545
Total	21,9942

2 - Due to data collection limitations, the total here will not align to annual training hours by gender. Efforts are underway to improve data collection and reporting.

Human Rights

Our Commitment

GRI 103-1

Grace is committed to the protection and advancement of human rights wherever we operate. We do not tolerate any form of exploitative child labor as defined in the International Labor Organization Convention 182, Article 3 (Worst Forms of Child Labor). We also do not use indentured, slave, bonded, or other forced involuntary labor and reject corporal punishment of any kind. Our commitment to human rights extends to both our operations and supply chain.

Our Management Approach

GRI 103-2

Grace adheres to the principles in the United Nations Universal Declaration on Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work as the basis of our human rights commitments. Our Human Rights policy outlines our commitment to the following:

- Employee, customer and community health & safety
- Compliance with all EHS and human rights laws and Grace requirements
- Non-tolerance towards child and human labor in our operations and supply chain
- Fair employee working hours and compensation
- Diverse and inclusive workplace free from discrimination

- Employee right to freedom of association
- Non-tolerance towards corruption, bribery and other business ethics violations

Facility management and human resources regularly engage with unionized employees of their facilities on health & safety, working conditions and compensation. Collective bargaining agreements are regularly reviewed with union leadership to ensure compliance with local labor laws and regulations. Many facilities have established management-employee health & safety committees for employees to raise any EHS hazards and issues.

All Grace employees are required to complete annual human rights training through our learning system. Any human rights violations can be reported confidentially by employees, customers, vendors, or other interested persons to our Ethics Hotline. Employees can also report any these violations to their managers or local human resources representatives.

Grace has participated in internship programs sponsored by the German and Brazilian governments allowing interns to start at age 17. No other facilities employ labor under the age of 18.

All Grace suppliers must ensure that they do not use child or forced labor, respect their employees' right to bargain freely and comply with all local labor and human rights laws, as stipulated in our Supplier Code of Conduct. Suppliers are required to report violations or legal proceedings related to human or labor rights to Grace. We also encourage our suppliers to require their own suppliers and subcontractors to adopt the principles of Grace's Supplier Code of Conduct in their operations. Failure to meet these standards is grounds for us to terminate contracts and transactions with the supplier.

Our Performance

GRI 103-3, 407-1, 408-1, 409-1, 412-1, 412-2

In response to specific inquiries we conduct internal human rights and workforce reviews for Grace facilities to ensure full compliance with labor and human rights laws and Grace requirements.

In 2020, there were 0 freedom of association, child labor or forced labor violations reported from both our operations and value chain. All 4,000 Grace employees received human rights training on the below courses:

- Developing an Ethical Culture
- Retaliation, Age Discrimination, Diversity
- Sexual Harassment

Health, Safety and Process Safety

Our Commitment

GRI 103-1

At Grace, the safety and health of our employees are among our most critical concerns. In alignment with our EHS Goal of No One Hurt, all Grace employees are expected to work, think and be safe. We believe that safety is more than a priority; it must come first in everything we do and every decision we make.

Our Management Approach

GRI 103-2, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-8

Leadership

Grace's commitment towards providing a safe and healthy workplace is anchored on its EHS policy and implemented through its global EHS Management System. All Grace employees, contractors and suppliers are also empowered to Lead with Safety through the following principles:

- All Grace employees, contractors, and suppliers make a personal commitment to working safely.
- We take ownership of our actions to drive our culture of safety, ethics, and core values.
- We speak up when we observe unsafe behaviors or conditions.
- We are all responsible for recognizing risks and doing something about them.
- Crucial conversations lead to safe workplaces.
- Safety is not an action but a mindset.

Grace's EHS Core Values are: No One Hurt, Nothing out of Place, and No Harm from our Products. Globally, we aspire to have zero recordable health & safety incidents, and zero Tier 1 process safety events at our facilities. To achieve this, we have set a short-term target to meet or exceed top quartile performance within the chemical industry for Total Recordable Incident Rate (TRIR) and Tier 1 & 2 Process Safety Event (PSE) rate.

Grace facility managers are accountable for effective implementation of the EHS Management System at their individual facilities in accordance with Grace's EHSS Core Values. Each facility employs full-time EHS leaders who are responsible for its day-to-day implementation and promoting the Lead with Safety culture among plant leaders and employees.

EHS Management System

The global framework for Grace's EHS activities is our EHSS Management System. Our US facilities adhere to the chemical industry-specific Responsible Care Management System to evaluate and manage all environmental, health & safety, process safety, product safety and security risks. Our International facilities adhere to the International Organization for Standardization (ISO) 14001, 45001, and 50001 to manage their environmental, energy, and occupational safety impacts. Occupational Safety and Process Safety are managed through the Responsible Care Management System or through ISO 45001.

Conformance to the EHSS Management System at both the facility and corporate level is audited annually and certified every three years by third-party registrars to demonstrate conformance with Responsible Care® or ISO 14001 / 45001 requirements.

Safety is managed through the Responsible Care Management System or through ISO 45001. Currently 48% of Grace's facilities are certified to either RCMS or ISO 45001.

Hazard and Risk Identification

Grace uses a tiered structure to identify and assess its hazards and risks based on the scope and operational context. At the Corporate level, risks are identified and managed through a hazard and risk assessment process in alignment with the Responsible Care Management system. Each facility is required to maintain its own hazard and risk assessment (HRA) specific to its operational risks. For new and existing processes that meet applicability thresholds, a process hazard analysis (PHA) with Layer of Protection Analysis (LOPA) is conducted using tools and methodologies based on industry standards and best practices. A management of change (MOC) process is in place at all Grace facilities, to carefully consider the impacts of process, equipment, and organizational changes throughout the process and facility lifecycle. Grace has aligned all above risk assessment processes to a unified risk matrix ensuring that risks are consistently evaluated and prioritized across the organization.

As part of its HRA, each facility identifies and evaluates hazards associated with each area or task and implements the appropriate engineering or administrative controls to mitigate identified risks. Personal protective equipment (PPE) is provided as an additional protection layer for employees exposed to these risks. PPE are selected in consultation with the affected employees and in compliance with all applicable national, state or local regulations.

Stop Work Authority

Employees at all levels are empowered to stop work should unsafe conditions be identified. Plant leaders are expected to model these behaviors through regular safety walkarounds at the facility. Employees can also report unsafe activity anonymously through the Grace Ethics Hotline.

EHS Engagement

All employees are required to undergo training to enable them to identify and eliminate EHS risks associated with their job, using the local language used by employees. These requirements are supplemented by specific training requirements contained in corporate implementing procedures for lock-out tag-out, confined space entry, hot work, fall protection, safety observations and other similar scenarios. Each Grace facility is responsible for maintaining a site-specific training program covering Grace employees and contractors that meets both regulatory and Responsible Care requirements.

Many Grace facilities have established worker-management health and safety committees which make decisions and investments on workplace health and safety. A tiered meeting structure from the facilities up through corporate headquarters meets on a weekly and monthly basis and includes representatives from all levels of facility leadership and workers. Committees develop and implement programs to eliminate EHS-related risks at the facility as part of internal initiatives. Many committees also have long-standing programs to track and report leading indicators, near-misses, incidents and other safety priorities. A robust program of internal and management system audits often engages committee members in audit interviews and facility tours.

Grace's Corporate Communications and EHS functions engage with internal and external stakeholders on key EHS issues through a variety of channels. Our Company-wide COVID-19 communications include

Masking and Vaccination Updates, Travel Restrictions, Videos, and FAQs through our Company intranet, e-mail, webforms and other channels. We launched SMS emergency messages and mobile-based microsite for our Gulf Coast facilities affected by Hurricane Ida. Other EHS engagement initiatives include Hand Safety promotion as part of 2021 Safe Summer program led by our Curtis Bay facility.

Process Safety

Our commitment to providing a safe and healthful workplace extends to our Process Safety program. The key metric for assessing Process Safety performance is the number and rate of Process Safety Events as defined by the American Petroleum Institute Recommended Practice 754, which has been adopted by the American Chemistry Council's Responsible Care program. This metric is aligned with Grace's EHS goal of Nothing Out of Place from our operations. Grace has set a short-term target to meet or exceed top quartile performance within the chemical industry for Tier 1, Tier 2, and combined Tier 1&2 Process Safety Events. Our risk-based Process Safety program aims to safeguard the well-being of our employees and the communities in which we live and work, and responsibly meet our obligations to all our stakeholders. Over half of our facilities are regulated under a local or national process safety regulation.

Because the prevention of unplanned releases (including compressed air, water and steam) is critical to both the Process Safety and Environmental programs, the implementation of this metric provides synergies across multiple disciplines and is fully integrated into our EHS Management System. Grace has a global corporate goal of zero Tier One process safety events. Plant-specific goals for process safety events are KPIs tied to pay and performance evaluations within the Grace Integrated Supply Chain organization. Grace has also defined additional process safety metrics which measure the health of our protective barriers and other process safety related impacts across all our facilities.

Process safety and occupational health and safety events are reported using a centralized incident management system available to any individual within the organization globally. Significant Near Miss events are investigated to identify the root cause using methods appropriate to the context of the event. EHS and Facility leadership identify containment, corrective, and preventive actions to ensure the root cause of each event is addressed and prevent reoccurrence. High learning value events are reviewed by global leadership and communicated throughout the integrated supply chain organization through defined meeting cadences.

Emergency Response

Emergency preparedness is a key component to our Management System. All Grace facilities are required to maintain emergency response programs and plans. We conduct emergency response drills involving cross-functional teams up to and including the Grace Leadership Team on a regular basis. Post-drill evaluation is conducted as part of the continuous improvement of the emergency procedure.

All of our facilities have one or more of the following: specialized onsite emergency response teams, contracts with local third-party response providers or a close working relationship with local governmental authorities to be prepared for emergencies. Several locations with onsite teams also participate in local mutual assistance programs. Additionally, Grace has HAZMAT specialists trained and available to quickly advise on off-site incidents involving certain high hazard chemicals. ([Grace.com > Emergency Response](#))

Grace uses CHEMTREC as its 24/7/365 emergency response call center and has several country/regionally specific arrangements in Asia. All known incidents are tracked, and investigations conducted following the procedures employed for other incidents. ([Grace.com > Emergency Response](#))

Occupational Health Services

Grace provides occupational health services for our employees. Several manufacturing locations have an on-site occupational health nurse and visiting physician who provide risk-based medical surveillance clearances, care for work-related illness and injuries and as appropriate, assist with non-occupational illness and injury management. Facilities without an on-site medical professional, work with local clinics to follow our surveillance protocols and manage work related illness and injuries. All facilities maintain stocked first-aid kits, AEDs and train volunteer medical responders in first aid/CPR/AED to assist in injuries and illness that may occur at the location.

Routine industrial hygiene sampling is conducted at the manufacturing facilities, pilot plants and laboratories to ensure proper exposure controls are available and functional. Sampling is conducted by trained onsite personnel or industrial hygiene consultants. All samples are obtained following established sampling protocols and analyzed per established procedures at accredited laboratories. In 2021, Grace began implementing a cloud base industrial hygiene and occupational health management system as part of our continuous improvement efforts for standardization and transparency. The system will track sampling plans and results. There are several benefits to a platform system including tracking of periodic monitoring.

Grace provides several resources to support employee wellness. Programs are provided through our benefits network such as EAP, Diabetes Management, employee health advocate. Our online training software provides access to ergonomic training and access to software that can be downloaded to help employees remember to take ergo break and stretches. In additional, several sites provide access to onsite gyms and fitness classes.

Our Performance

GRI 103-3, 403-9, 403-10

In 2020, Grace's employee recordable incident rate was 0.62, which represents a 29% increase from 2019. However, the number of our recordable incidents increased to 31 in 2020 (from 24 in 2019). Grace also reported a Lost Time Incident Rate (excluding contractors) of 0.30, marking an increase from 2019.

Safety Metric	2020	2019
Work-Related Fatalities	0	0
Lost-Time Incident Rate	0.30	0.20
Lost-Time Injuries	15	10
Recordable Rate	0.62	0.48
Recordables	31	24

*Note: Recordable rate for all employees calculated (Number of Recordables * 200,000) / Hours Worked
Lost Time Incident Rate for all employees (Number of Lost Time Injuries * 200,000) / Hours Worked.*

In 2020, Grace recorded a total of 9 Tier 1 and Tier 2 PSE events, which represented a 47% decrease from the 17 reported in 2019.

Process Safety Metric	2020	2019
Tier 1	4	4
Tier 2	5	13
Total	9	17

In 2020, all Grace manufacturing facilities have evaluated their site-specific EHSS risks through a hazard and risk assessment. 61% of Grace’s manufacturing facilities have been certified to either the Responsible Care Management System or ISO45001.

Grace formed the COVID-19 Response Team comprised of cross-functional senior leaders to direct the Company’s COVID-19 pandemic response in order to mitigate risk to our operations and employees. A significant number of our employees worked remotely during restrictions implemented by governments globally to control the spread of the pandemic. We implemented strict safety protocols and provided PPE for our employees working on-site at our manufacturing facilities. We also provided our employees resources to promote their physical and mental health and well-being.

Cybersecurity

Our Commitment

GRI 103-1

Information Security is critical for W. R. Grace & Co. (Grace) and its subsidiaries to meet its business objectives, protect our stakeholders, and ensure sustainability of our operations. Grace is committed to protecting the privacy of its stakeholders and their personal information.

Our Management Approach

GRI 103-2

Grace’s Information Security strategy is an iterative process that is designed to develop and evolve to counter changes in the threat environment pursuant to the unique risks, threats, and vulnerabilities across the global scope of our operations. Grace Information Security program uses a layered approach to information security with Corporate and Internal IT policies, procedures, processes, standards, and information technology controls. Grace adheres to the National Institute of Standards and Technology (NIST) Cybersecurity Framework built around the identification, protection, detection, response, and recovery across physical, cyber, and people dimensions.

The collection and use of information are guided by Grace’s Privacy, Metadata Removal, and Information Security Policies. These policies are designed to protect customer/client data from unauthorized access or disclosure as well as protect Grace employees, visitors, contractors, and others who utilize Grace Information Technology resources. Confidentiality is ensured through these corporate and internal IT policies, procedures, and processes and standards.

Grace has dedicated resources and specialized response teams providing around-the-clock coordinated computer incident response throughout the Grace network. This tactical team executes response and recovery plans to ensure minimal disruption to ongoing operations. All response teams and systems undergo regular internal and external simulated drills to test and identify gaps in Incident Response, Business Continuity, Incident Recovery, and Disaster Recovery plans and procedures.

Prior to disposal of electronic waste (e-waste) Grace utilizes a qualified third-party to conduct asset decommissioning which removes all data including files and licensed software using U.S. Department of Defense standards for disk sanitization. Qualified third-party also manages disposal of electronic waste (e-waste) in a manner consistent with Grace's internal policies and regulations. Current vendors are certified to the SERI R2:2013 standard for responsible recycling. The R2 standard is designed to help ensure the quality, transparency, environmental and social responsibility of electronics recycling facilities. The R2 standard requires the documentation of waste anonymization and defines specific envlife requirements. Certificates of data destruction are issued on request.

As part of its Ethics program, Grace conducts annual cybersecurity awareness training that includes multiple phishing simulation throughout the year. All Grace employees are required to complete the annual cybersecurity training as part of their performance development review. Employees can report any cybersecurity violations to their line manager or anonymously through the Ethics Hotline.

Our Performance

GRI 103-3, 418-1

In 2020, Grace adopted NIST Risk Framework and CIS Benchmark requirements for IT structure, however we have not yet received external certification. However, we executed internal audits against our global backup and Active Directory infrastructure in 2020. We also perform daily vulnerability analysis against network assets, to determine the exploitability of threats against our compensating controls.

A significant number of our employees shifted to remote work as a result of government restrictions to control the COVID-19 pandemic, which poses an increased cybersecurity risk to Grace.

In 2020, 100% of Grace employees completed cybersecurity training. We also did not receive any Ethics Hotline calls regarding customer privacy breaches from either external parties or regulatory agencies.

Natural Resource Management Energy, Greenhouse Gas, and Emissions

Our Commitment

GRI 103-1

Grace is committed to cutting energy consumption and associated greenhouse gas emissions by improving energy efficiency and sourcing energy from renewables across our operations. We have also refined our product innovation process and designed new products for use-phase resource efficiency. These products enable our customers to be more efficient, requiring fewer resources and energy per unit of production, thus enhancing our sustainability value proposition.

Our Management Approach

GRI 103-2

The global framework for Grace's EHS activities is our EHS Management System. Our US facilities adhere to the chemical industry-specific Responsible Care Management System to evaluate and manage all environmental, health & safety, process safety, product safety and security risks. Our International facilities adhere to the International Organization for Standardization (ISO) 14001, 45001, and 50001 to manage their environmental, energy, and occupational safety impacts. Energy, GHG, and Emissions are managed through the Responsible Care Management System for US based facilities or through ISO 14001 / ISO 50001 for international facilities. Currently 70% of our facilities have an environmental management system with RCMS or ISO 14001 certification. 9% of our facilities currently have an ISO 50001 certification.

Grace's commitment towards GHG emission reduction and enhanced energy efficiency is anchored on its global EHS policy and managed on a corporate and facility level through our global EHS Management System. Grace has set 22% global GHG Scope 1 and 2 emissions reduction target by 2029, from a 2019 baseline, which has been endorsed by its Board of Directors.

The Sustainability Leadership Team (SLT) is responsible for Grace's overall climate strategy and oversight. It is comprised of business presidents and Integrated Supply Chain senior leaders and is chaired by the Senior Vice President Public Affairs and EHS and Chief Sustainability Officer. Facility-level execution of emission and energy reduction initiatives are spearheaded by facility managers and process operation managers. These plant leaders develop and implement productivity projects to reduce resource (i.e. raw materials, energy and water) requirements for production, improve yields and manage cost.

Our Performance

GRI 103-3, 302-1, 302-2, 303-3, 303-4, 305-1, 305-2, 305-3, 305-4, 305-5, 305-7

Greenhouse Gas Emissions

In 2020, Grace reported 10% reduction in Scope 1 emissions from 2019. Grace's global production volume dropped by 8% from 2019 primarily because of the COVID-19 pandemic. We expect a slight increase in our Scope 1 emissions for 2021 as our production operations normalize. Meanwhile, our 2020 Scope 2 emissions decreased by 34% compared to 2019. This was driven by energy emission initiatives (i.e., combined heat and power plant go-live at our Curtis Bay facility accounting for 15% of Grace's total reduction) and reduction of purchased electricity at our facilities due to the COVID-19 pandemic.

Absolute Emissions	2019	2020
Scope 1 (MT CO ₂ -e)	575,774	517,327
Scope 2, Location-Based (MT CO ₂ -e)	165,732	114,115
Scope 2, Market-Based (MT CO ₂ -e)	175,675	115,793

Emissions Intensity	2019	2020
Combined Scope 1 and 2 Emissions (MT CO2-e)	741,656	632,677
Total Revenue (including ART Joint Venture, USD)	2,468,500,000	2,211,900,000
Emissions Intensity (MT CO2-e / USD Revenue)	0.00030	0.00029

Region	2020 Scope 1 Emissions (MT CO2-e)	2020 Scope 2 Emissions Market-Based (MT CO2-e)	2020 Scope 2 Emissions Location-Based (MT CO2-e)
Asia Pacific	8,391	11,875	11,875
Europe, Middle East, Africa	157,223	6,092	4,846
Latin America	3,082	2,980	2,980
North America	348,631	94,403	94,414
Total	517,327	115,350	114,115

In 2020, Grace began disclosing its Scope 3 emissions to CDP's Climate Change framework and will continue reporting this data moving forward. This disclosure covers the 15 categories defined by WRI. We used the WRI Scope 3 Evaluator tool to calculate our Scope 3 emissions.

The WRI/Quantis Evaluator tool uses a 'spend-based' method to calculate an initial screen of Scope 3 emissions, with industry-average emissions factors applied based on the economic value of the goods and services. Spend data is broken down according to Grace's internal accounting and allocated to the most appropriate product group category available within the Quantis Tool. The corresponding emissions factors from the Quantis tool are then applied to calculate an overall emission estimate for this category. The Evaluator tool is only intended to provide companies with a first estimate of their Scope 3 emissions and to guide future efforts for more refined estimates. Use of the tool entails a high degree of uncertainty as companies prepare for more refined estimates in the future.

Scope 3 Category	2020 (MT CO2-e)
Purchased goods and services	1,107,133
Capital goods	65,177
Fuel-and-energy-related activities (not included in Scope 1 or 2)	152,490
Upstream transportation and distribution	0.00
Waste generated in operations	24,898
Business travel	785
Employee commuting	6,290
Upstream leased assets	Not relevant

Downstream transportation and distribution	5,948
Processing of sold products	678,968
Use of sold product	Not relevant
End of life treatment of sold products	95,001
Downstream leased assets	Not relevant
Franchises	Not relevant
Investments	Not relevant

Energy Consumption

Our 2020 energy consumption was 3,530,215.36 MWh, which was a significant increase from 2019. This was due to a calculation error that excluded natural gas from our 2019 purchased and consumed nonrenewable fuels data. This has been corrected for 2020. 2019 values will be recalculated and reported at a later date. Purchased electricity from the grid accounted for 8% of our total energy consumption, which represented a 22% decrease from 2019. Overall, we anticipate fluctuations in our 2021 GHG emissions and energy consumption due to the COVID-19 pandemic.

Energy Metric	2020
Total Energy Consumption (MWh)	3,530,215
Total Revenue (Includes ART Joint Venture, USD)	2,211,900,000
Energy Intensity (MWh / USD Revenue)	0.0016

Energy Source	2020 (in MWh)
Purchased and Consumed Nonrenewable Fuels	3,160,337
Purchased Electricity from Nonrenewable energy sources	271,473
Purchased and Consumed Steam	98,405
Purchased and Consumed Heat	0
Purchased and Consumed Cooling	0
Total Nonrenewable Energy Sold	0
Total Purchased or Self-Generated Renewable Energy	0
Total Energy Consumption	3,530,215

Emerging regulations such as the EU ETS may impact the cost of energy with restrictions of emission allowances within cap and trade systems. As Grace facilities require a significant amount of energy for its operations, these restrictions are expected to increase our operating costs in the short to medium term. We are also facing increasing pressure from our customers and investors to report organizational emission data, as well as carbon footprint of our customer's products.

To meet these challenges, Grace has integrated a projected price of carbon into capital planning processes to promote investment in projects that will reduce emissions and increase efficiency at our facilities, particularly those under carbon trading systems. For example, our Curtis Bay facility began operating its combined heat and power plant that reduced its emissions by approximately 7,000 MT CO₂-e. Its two generator sets produce about 5 MW of electric power, accounting for 40% of the facility's annual electricity consumption. The combined heat and power plant at our Worms, Germany facility supplies 95% of the facility's electricity requirements. In 2020, Grace facilities commissioned 10 emission reduction and energy efficiency projects, with 23 more currently in the pipeline.

Air Emissions

Grace facilities utilize pollution control devices such as baghouses and scrubbers to ensure dust, particulate and fugitive emissions do not exceed federal, national, state or local emission standards. Certain of our facilities maintain Compliance Assurance Monitoring plans to identify all emission sources at the facility and install and maintain appropriate control devices such as baghouses and scrubbers. Many facilities have comprehensive workplace emissions measurement programs that monitor a variety of chemicals and particulates such as dust, ammonia, CO, and NO_x emissions. Where required, certain facilities implement leak detection and programs to ensure compliance with regulatory and Grace requirements. These programs help us strive towards our goal of Nothing Out of Place.

Process Emissions	2019	2020
SO _x (MT)	143	106.4
NO _x (MT)	133	193.2
VOCs (MT)	46	88

[\(Grace.com > Environmental Performance\)](#)

Water Management

Our Commitment

GRI 103-1, 301-1

Grace recognizes the importance of water availability and quality for both its manufacturing processes and its value chain. We also acknowledge that water is a finite resource that should be protected for future generations. We withdraw most of the water we use from third party sources, from surface water bodies close to our facilities, or from on-site groundwater wells.

Grace is committed to reduce water consumption throughout its operations, reuse water where feasible and treat and discharge wastewater in accordance with all applicable regulations.

Our Management Approach

GRI 103-2, 302-2

Grace's commitment to manage and conserve water resources is based on our global EHS policy, our EHSS Management Systems, and tied to our goal of Nothing Out of Place. To achieve this, we have set a global target to reduce our water consumption by 10% from a 2019 baseline. Grace monitors its annual water withdrawal, discharge and consumption for manufacturing and administrative facilities under its operational control.

Water reduction initiatives are driven at the facility level by the plant managers and process operation managers through the reuse of process water and implementation of productivity projects. Plant leaders may also establish facility-specific water reduction targets should water availability be deemed a significant risk for the facility. The Grace Sustainability Leadership Team (SLT) provides oversight for Grace's overall water strategy.

Grace maintains compliance with all local, state, federal, and regional effluent quality standards through the incorporation of management systems, management of change processes within our operational facilities, and robust incident reporting procedures. As part of our commitment to Nothing Out of Place, facilities have primary and secondary containment measures in place to prevent unplanned or uncontrolled chemical releases from entering groundwater. Facilities are also equipped with a variety of administrative, treatment, and operational controls to treat all wastewater parameters to permitted limits prior to discharge. Success is measured by achieving our target of 0 Tier 1 Process Safety Events and receiving no regulatory citations (notices of violation) from regulatory agencies.

Through our internal 2020 WRI Aqueduct Assessment, we were able to determine water risk across each of our facilities. Based on this assessment, 7% of Grace's total water withdrawals are from facilities located in water-stressed areas. We have identified the potential for water quantity and quality to be a material risk to both our suppliers and our customers. By 2022, we will begin assessing our suppliers for water risk and target completing this assessment within 5 years for our key suppliers. We will incorporate this data into our supplier score card process to better understand our supply chain risks as part of our sustainable procurement program.

Our Performance

GRI 103-3, 303-3, 303-4, 303-5

In 2020, we changed the way we reported water consumption. Many of our facilities collect stormwater sending it to onsite treatment systems prior to discharging to publicly owned treatment works or surface water discharges. In prior years, we assumed that water consumption was 100% water withdrawal whenever stormwater cannot be separated from wastewater volume. This avoided negative consumption values but limited comparability of the data set. Going forward consumption will not be modified, and raw calculated values will be reported for all facilities. In 2020, 36% of our facilities reported negative water consumption values. Grace's total water consumption was 1,707 megaliters.

2020 Water Discharged by Destination (in megaliters)			
Destination	Fresh Water	Other Water	Total Discharge Volume
Surface Water	12,610.35	0	12,610.35
Groundwater	188.05	0	188.05
Third-Party (Municipal) Water	1,315.75	0	1,315.75
Total Discharge	14,114.15	0	14,114.15

All Grace facilities take steps to detect and eliminate any impacts to ground water and surface water sources through a variety of methods ranging from leak detection and containment systems to the regular collection of monitoring well data. For example, our Hesperia facility installed impermeable groundcover and gravel throughout the facility in order to minimize its stormwater discharge. Many manufacturing facilities perform primary or secondary treatment of wastewater pollutants to meet or exceed regulatory requirements prior to discharge.

Grace also implements productivity projects aimed at reducing wastewater sludge generation and disposal. Water reduction initiatives in 2020 include:

- Water reduction at Wastewater Treatment System (at our Sorocaba, Brazil facility)
- Water leak prevention at process area (at our Worms, Germany facility)
- Installation of new cooling tower at our Chattanooga facility
- Water reduction at regenerator at our Worms, Germany facility
- Cooling water reduction at the water glass cooling system at our Worms, Germany facility

Waste Management

Our Commitment

GRI 103-1

As part of its global EHS goal of Nothing Out of Place, Grace is committed to minimizing the generation of and safe disposal of all hazardous and non-hazardous waste from our operations. In addition, we design our products to be manufactured, transported, used, and disposed of safely.

Our Management Approach

GRI 103-2, 306-1, 306-2

Grace’s commitment towards waste reduction throughout its operations and value chain is anchored on its global Environment Health and Safety EHS policy, and adherence to the Responsible Care® initiative.

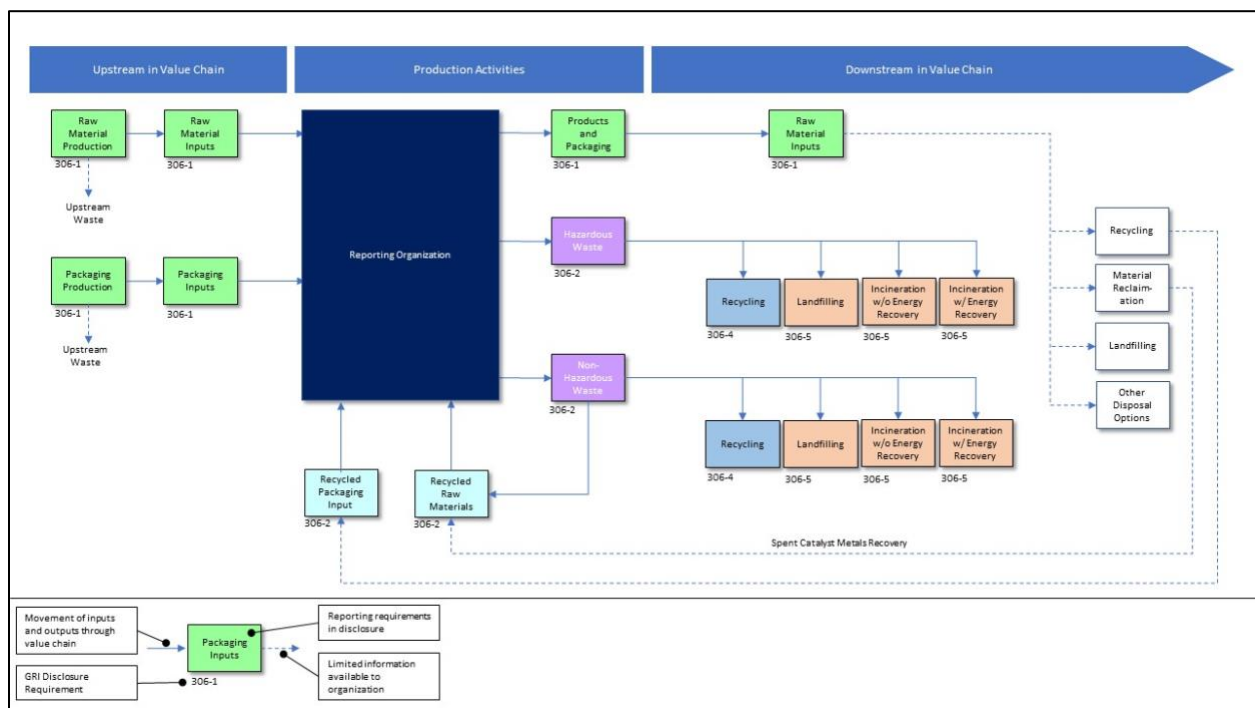
Grace has established a target of reducing its waste sent to landfills (in tons) by 5 percent from a 2019 baseline by 2029. This includes reductions in hazardous waste sent to landfills.

Hazardous waste is managed at each Grace manufacturing facility according to applicable regulations, corporate policies, and relevant industry best practices. Operational compliance to these waste management requirements are verified through periodic EHS compliance audits facilitated by third-party registrars.

All Grace facilities have dedicated waste areas allowing segregation of incompatible waste types (such as hazardous and non-hazardous) that meet or exceed regulatory requirements. Wastes are temporarily accumulated on-site in compliance with local regulations until they are hauled for off-site disposal by qualified third-party vendors or sold to recyclers. Grace currently maintains a single landfill at one facility which receives non-hazardous waste for disposal, and is operated in compliance with local and federal requirements. A network of monitoring wells and ongoing maintenance program minimize potential impacts to surrounding areas.

Grace facilities monitor their waste disposal primarily through invoices sent by waste disposal contractors and estimates. Waste disposal measurements are reported in weights disposed. Waste data is collected, aggregated and reported on an annual basis.

Stewardship of our waste is a key concern for Grace. We have established a qualification process for high risk disposal vendors involved in the reclamation or treatment, storage or disposal of hazardous waste. This process is designed to ensure waste is disposed of properly and in accordance to local regulations and our own internal standards. High Risk Disposal Vendors are required to undergo audits to assess the robustness of their EHS risk management processes, their compliance with applicable regulations, and whether they are in good financial standing with appropriate insurance.



Our Performance

GRI 103-3, 306-3, 306-4, 306-5

In 2020, Grace generated 74,200 MT of our total hazardous and non-hazardous waste generated, which represented a 9% increase from the prior year. We recycled 9,886 MT of our hazardous and non-hazardous waste generated in 2020 (a 1401% increase from the 656 MT recycled in 2019). Grace also recycled 65% of its hazardous waste generated in 2020, driven primarily by the silica recycling initiative at our Kuantan, Malaysia facility. Our waste to landfill decreased slightly by 1% from 49,073 MT in 2019 to 48,681 MT in 2020.

Waste Generation	2020 (MT)	2019 (MT)
Non-Hazardous	63,753	57,740
Hazardous	10,448	10,122
Total Waste Volumes	74,021	67,862
Total Recycled Waste	9,886	656
Total Landfill Waste	48,681	49,073

2020 Waste Disposed by Treatment Methods	Hazardous Waste (in MT)	Non-Hazardous Waste (in MT)
Converted to Energy	1,235	0
Chemical Destruction	0	6
Incinerated (energy)	0	43
Incinerated (non-energy)	557	107
Landfill	1,419	47,262
Other	434	13,170
Recycled	6,804	745
Recycled for process inputs	0	2,339
Reused	0	81
Total Non-Hazardous Waste Generated	10,448	63,753

2020 Recycled Waste by Treatment Method	Hazardous Waste (in MT)	Non-Hazardous Waste (in MT)
Recycled	6,804	745
Recycled for process inputs	0	2,339
Reused	0	81
Total Hazardous Waste Recycled	6,804	3,165

Grace is constantly improving efficiency of its processes to reduce waste generated by its operations and products to reduce cost and maintain its competitive advantage. For example, Grace’s customers can avoid disposal to landfill of spent catalyst by allowing Grace to rework and repurposes the e-catalyst for its customers. Our Kuantan, Malaysia facility significantly reduced its hazardous waste sent to landfill by recycling and selling its wastewater sludge to local brick companies for concrete applications. Other waste management activities include spent solvent reclamation prior to disposal and coordinating with R2 certified electronics recycling vendors and drum recyclers to minimize disposal of waste drums.

Environmental Compliance

Our Commitment

GRI 103-1

Grace's global EHS policy requires us to conduct business and operate facilities in an environmentally sound manner with a focus on eliminating unplanned environmental releases, improving efficiencies and reducing waste, and meeting community, state, and national regulations in jurisdictions where we operate around the world. Our commitment towards EHSS compliance is anchored on our global EHSS goal of Nothing Out of Place. Progress towards this goal is tracked through our objective of 0 Tier 1 Process Safety Events and top quartile Tier 1 and Tier 2 Process Safety Event rates.

Our Management Approach

GRI 103-2

The global framework for Grace’s EHS activities is our EHS Management System. U.S. facilities adhere to the chemical industry-specific Responsible Care Management System to evaluate and manage all environmental, health & safety, process safety, product safety and security risks. Our International facilities adhere to the International Organization for Standardization (ISO) 14001, 45001, and 50001 to manage their environmental, energy, and occupational safety impacts. Environmental Compliance is managed through the Responsible Care Management System or through ISO 14001. Currently 74% of our facilities have an environmental management system with RCMS or ISO 14001 certification.

Grace facilities, through their plant and EHSS leadership are required to develop and maintain a site-specific legal register listing all federal, national, state and local requirements. This register also details all EHSS permit, monitoring and reporting requirements with their respective cadences as required by the

relevant EHSS authority. This process is managed through our integrated IT Systems which support our timely and accurate preparation and completion of compliance requirements.

EHS Management System at both the facility and corporate level are audited annually and certified every three years by third-party registrars to demonstrate conformance with Responsible Care® or ISO 14001 / 45001 requirements.

Reportable releases⁶, regulatory citations⁷, Tier 1 and Tier 2 Process Safety Events, and audit findings are investigated using industry-standard methods to identify the root causes and/or contributing factors leading to these events. Cross-functional facility teams work to identify containment, corrective, and preventive actions to address identified root causes.

Our Performance

GRI 103-3, 307-1

In 2020, we had no reportable releases in 2020, compared to 4 in 2019. No penalties or fines have been issued to Grace facilities by EHS regulatory agencies in the past 2 years.

Metric	2018	2019	2020
Regulatory Citations	4	5	1
Regulatory Penalties	\$250	\$0	\$0
Reportable Releases	2	4	0

Product Stewardship

Our Commitment

GRI 103-1

As part of its EHS goal of No Harm from Our Products, Grace has developed and maintained a Product Stewardship Program to minimize the health, safety, environmental, and social impacts of our products and their packaging throughout all lifecycle stages, while also maximizing economic benefits. Grace is committed to the Responsible Care Product Safety and follows its eleven core management principles which include performing scientific analyses of our products, working to enhance cooperation and communication along the value chain, providing product safety literature to the public, conducting risk characterizations and ensuring product risks are properly managed.

⁶ Grace considers reportable releases as releases to the air, water or land that exceed a government reportable quantity, or are otherwise reportable by law, regulation, or permit condition.

⁷ Grace defines citations as those covering instances of non-compliance with an environmental permit requirement for the operating facility.

Our Management Approach

GRI 103-2, 102-11

Risk characterization, management, and communication are important elements of Grace's global Product Stewardship Program. Our risk characterization and management program identifies, reduces, manages, and communicates the environmental, health, and safety impacts associated with our products throughout a product's lifecycle. Responsibility for oversight of and adherence to the Product Stewardship Program lies with Senior Vice President Public Affairs and Environment, Health, and Safety, Chief Sustainability Officer, a corporate officer directly reporting to the CEO and Board of Directors, and has executive oversight of all Environmental, Health, and Safety programs at Grace.

The Grace Product Risk Characterization, Prioritization, and Management Process (PrISM) process adheres to principles of Product Stewardship from the very beginning. A detailed product stewardship checklist is employed as part of this process with specific questions and actions that need to be completed at each gate. The checklist helps ensure that for every new product that we create, we assess potential health and safety risks, we evaluate the need for personnel and customer end-user training on safe use, we define regulatory requirements and we determine labeling required to communicate hazards. This information is documented through safety data sheets for individual products which are prepared in accordance with Global Harmonized System (GHS) and REACH requirements.

We also consider how to safely transport the product and how to keep our customers from unintentionally misusing the product. Grace is relaunching its global Dangerous Goods program, requiring the proper packaging, marking and labeling of all hazardous materials in compliance with facility-specific national, state or local dangerous goods transport regulations. Facilities must ensure that all personnel handling dangerous goods have received required training commensurate with the product risk.

Our business presidents ultimately are responsible for the PrISM process and ensure that new Grace products, or new applications of existing products are assessed using the PrISM process.

The efficient use of natural resources and energy, whether we can use less hazardous raw materials, and whether the full lifecycle of the product, including disposal, recycling, or reuse, is appropriate are also considered. As part of a strategic review of our product portfolio, we identified the products that address five key sustainability drivers.

- Products designed for use-phase efficiency, a concept defined by the Sustainability Accounting Standards Board (SASB) as products that "through their use—can be shown to improve energy efficiency, eliminate or lower greenhouse gas (GHG) emissions, reduce raw materials consumption, increase product longevity, and/or reduce water consumption," either through:
 - **Improved products** – by increasing the efficiency of a product during its use phase
 - **Improved processes** – by increasing the efficiency of the manufacturing process used to make a product
- **Stricter Environmental Standards** – products that directly enable customers to meet environmental regulatory/legal requirements applicable to their products or manufacturing processes.
- **Reduced Consumption/Sustainable** – products that enable customers to reformulate their products to avoid or reduce to *de minimis* levels substances of concern to their customers.
- **Circular Economy** – Products that enable material recycling and biofeeds

Our Performance

GRI 103-3, 416-1

Recalls, withdrawals or alerts, either required or issued for known or potential safety reasons, of Grace products that could reach a consumer and are directly or indirectly regulated by a governmental agency over the period 2015-2020 have been 0.

Approximately \$1.1 billion or 49% of our 2020 revenue were from products that addressed our customers' sustainability objectives. Examples of these products are listed below:

Sustainability Endpoints	Examples of Grace Products
Improving our customers' products	<ul style="list-style-type: none"> ■ High-performing PP catalysts for lightweighting auto parts to improve fuel economy ■ Custom single-site PE catalysts for downgauging packaging to reduce plastics requirements ■ Silicas for tires to reduce rolling resistance and improve fuel economy ■ Zeolites for dual pane windows to reduce energy use
Improving our customers' processes¹	<ul style="list-style-type: none"> ■ Advanced FCC catalysts to reduce raw material and energy requirements ■ Advanced silica gel for filtration to reduce water use and waste
Enabling our customers to meet stricter environmental standards	<ul style="list-style-type: none"> ■ Hydroprocessing catalysts to meet cleaner fuels standards (e.g., IMO 2020) ■ Additives to reduce SOx and NOx emissions from refinery operations ■ Colloidal silicas for vehicle emission control devices
Enabling our customers to reformulate their products to meet consumer demand	<ul style="list-style-type: none"> ■ Non-phthalate PP catalysts for safer packaging and household items ■ Silicas for anti-corrosive coatings that are heavy-metal free ■ Silicas for high performance paints with low-VOCs
Circular economy / Enabling material recycling and bio-feeds	<ul style="list-style-type: none"> ■ Refinery catalysts tailored to displacing crude with bio-based feedstocks ■ Silicas to purify recycled biofeedstocks ■ FCC catalyst sales where Grace recycles or enables recycling of spent catalysts

Grace is investing heavily into products with at least one of these sustainability drivers. Over 300 employees conduct research at a dozen research and development centers globally. Roughly two-thirds of Grace research projects are focused on products that will deliver one of our sustainability drivers. Over two-thirds of revenues expected from the commercialization of those projects have at least one of the above sustainability drivers, and many have strong sustainability value propositions.

Responsible Sourcing

Our Commitment

At Grace, we strive to create value for our business partners as well as our customers, in a safe and healthy work environment in compliance with all regulatory requirements. We recognize the vital role vendors and suppliers play in helping us meet the needs of our customers, so we seek to foster healthy and mutually beneficial supplier and vendor relationships. Our robust supply chain spans a global, diverse supplier base built upon solid, long-term partnerships.

Worldwide, we work with thousands of direct and indirect suppliers to help us deliver quality products, maintain our competitiveness, and manage our costs. We collaborate with our suppliers to reduce end-to-end supply chain costs through joint initiatives and we always keep communication lines open. We leverage technology and promote the use of e-commerce tools to enable efficient business processes and achieve results faster.

Our Management Approach

The foundation of Grace's approach to responsible sourcing is its Supplier Code of Conduct, which outlines supplier requirements in the areas of environmental responsibility, labor and human rights and business ethics. Grace's policy is that all third-party vendors that provide products or services to the Company act in compliance with this Code and adopt practices that are consistent with it. Failure of a Supplier to comply with the requirements in this Code may be considered a material breach by Grace in the related contract(s) or transactions between Grace and Supplier and Grace may terminate such contract(s) or transactions with Supplier at its discretion as a result.

We assess the sustainability performance of our suppliers and alignment with the Grace Supplier Code of Conduct using a 3rd party supply chain ratings service (EcoVadis). In addition, Grace uses a management of change system to control and validate all raw material changes, critical supplier qualification procedure for high risk raw materials, and a prequalification procedure for all direct and indirect suppliers. Our audit and qualification protocols include an evaluation of certain environmental and social issues, including in relation to the environment, human rights, health, safety, and security.

W. R. Grace & Co. (Grace) also performs supplier assessments regarding REACH regulations. Grace has confirmed the REACH status of existing supplier and has a process in place to confirm the REACH registration status of all new suppliers. Grace does not currently have the results of the assessment process to determine supplier compliance with REACH.

Responsible Mineral Supply Chains

For minerals that can be sourced from Conflict-Affected or High-Risk Areas, Grace has aligned its approach with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflicted Affected and High-Risk Areas. This includes a requirement outlined in the Grace Supplier Code of Conduct that suppliers are expected to ensure that material supplied to Grace are sourced from responsible supply chains and do not contain metals derived from minerals or their derivatives originating from conflict regions that directly or indirectly finance or benefit armed groups.

Consistent with the OECD 5-Step Due Diligence Guidance, Grace:

- Provides a company-wide grievance mechanism via its ethics hotline;
- Regularly assesses its raw materials for minerals potentially sourced from conflict-affected or high-risk areas;
- Expects its strategic suppliers to either complete an EcoVadis supplier sustainability assessment, which includes document verification of conformance with OECD guidance, or complete a Responsible Minerals Initiative survey for conflict minerals or cobalt;
- May request corrective action based on any assessment findings; and
- Discloses its management approach and performance in these areas, including in this report.

Grace has performed reasonable country of origin inquiries (“RCOI”) for manufactured equipment containing electrical components from appropriate suppliers and contract manufacturers. Information related to Conflict Minerals are reported on Grace’s Form SD available on our website.

Our Performance

In 2017, Grace began requiring its suppliers to sign its Supplier Code of Conduct. In 2019, 100% of Grace suppliers with minimum spend of 1 million USD signed the Grace Code or provided evidence of their own codes that met or exceeded Grace’s own. Beginning in 2020, Grace standardized the approach and now requires all suppliers to conform with the requirements outlined in its Supplier Code of Conduct.

To assess performance and encourage meaningful engagement against the sustainability elements of its Code, Grace established a Responsible Sourcing Program in 2021 and initiated supplier sustainability assessments. This program, which operates within the Strategic Sourcing function, is responsible for integrating sustainability considerations into the Grace procurement and supplier management process.

To conduct its supplier sustainability assessments, Grace uses a third party (EcoVadis). EcoVadis uses an evidence-based methodology that assesses policies, management systems, and performance in four areas aligned with the Grace Code (see figure below). In 2021, suppliers representing approximately 70% of Grace direct spend (2019 basis) completed a supplier sustainability assessment. Based on the results of these assessments, Grace may suggest corrective actions through the EcoVadis platforms to its suppliers. Currently 48 of our suppliers have a corrective action plan in place through Grace or another customer that has requested the same supplier scorecard.

The assessment results are used in several ways, including as a component of overall risk profiles for each strategic supplier, in performance monitoring tools such as supplier balanced scorecards and to help qualify certain high EHS-risk suppliers.

Grace Supplier Code of Conduct & Commitments	EcoVadis Coverage
Environment	Environment
Human Rights & Labor Standards	Labor & Human Rights
Business Ethics	Business Ethics
Code Scope	Sustainable Procurement

EcoVadis assessment structure aligned with Grace Code


To facilitate the launch of the supplier sustainability assessments, Grace hosted 2 trainings on sustainable procurement for its sourcing managers and buyer teams. These trainings were attended by or made available through recording to 100% of the sourcing and procurement team.



Grace also directly engages its suppliers in dialogue and capacity building on sustainability issues. In 2021, Grace hosted 2 virtual supplier townhalls to discuss sustainability trends and expectations. These townhalls were hosted by Grace’s Chief Sustainability Officer and the Vice President of Strategic Sourcing and attended by 80 supplier representatives.

No significant environment, health & safety, security were reported from our supplier audits in 2020.


GRI Content Index

About Grace						
Disclosure Key	Disclosure Title	Section	Comment	Link / Reference	UN SDG	UN Global Compact Principle
102-1	Name of the organization		WR Grace & Co.			
102-2	Activities, Brands, Products, and Services	About Grace		2020 Form 10-K p.1 (Business Overview)		
102-3	Location of Headquarters		7500 Grace Drive Columbia, MD 21044			
102-4	Location of Operations	About Grace		2020 Form 10-K pp. 24-25 (Operations)		
102-5	Ownership and legal form		Grace is a publicly traded corporation (NYSE: GRA)			
102-6	Markets served	About Grace		2020 Form 10-K p.2 (Global Scope)		
102-7	Scale of the organization			2020 Form 10-K p. 3-4 Human Capital Management; pp. 24-25 (Operations); p. 30 (Item 6: Selected Financial Data); p.33 (Analysis of Operations) 2021 Proxy pp.28-29 Stock Ownership of Certain Beneficial Owners and Management		
102-8	Information on employees and other workers		Grace does not disclose information on employee breakdown by gender and employment type. This data is considered proprietary and not disclosed to third parties.			
102-9	Supply chain	Our Business Segments		2020 Form 10-K p.7 Catalysts Technologies Manufacturing, Marketing and Raw Materials p.10 Materials Technologies Manufacturing, Marketing and Raw Materials		
102-10	Significant changes to the organization and its supply chain			2020 Form 10-K p.1 Acquisitions		
102-11	Precautionary Principle or approach	Product Stewardship				
102-12	External initiatives		Grace's subscribes to the American Chemistry Council's Responsible Care initiative as the framework for its global EHS Management System. It is implemented at the facility-level through the Responsible Care Management System (RCMS) for our US facilities and through the ISO14001			7

			Environmental Management System / ISO 45001 Occupational Health & Safety Management System for our international facilities. Grace also participates in ESG frameworks such as the Carbon Disclosure Project, EcoVadis and Sustainalytics. Additional information can be found in the Sustainability section (pp. 12-13) of the 2020 Form 10-K			
102-13	Membership of associations		Grace is a member of the following trade associations: Verband der Chemischen Industrie (VCI) – German chemical industry association American Chemistry Council (ACC) European Chemical Industry Council (CEFIC) Chemical Industry Association of Canada (CIAC) Silica Manufacturing Association Wildlife Habitat Council National Safety Council CCPS			
Risk Mitigation and Adaptation						
Disclosure Key	Disclosure Title	Section	Comment	Link / Reference	UN SDG	UN Global Compact Principle
102-14	Statement from senior decision-maker		We currently do not have a sustainability-specific statement from our CEO.	2020 Form 10-K (Sustainability: A Pillar of our Growth Strategy)		
102-15	Key impacts, risks, and opportunities	Risk Mitigation and Adaptation	Aligned to SDG Target 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	2020 Form 10-K pp.15-18 (Key Business Risks)		
Governance						
Disclosure Key	Disclosure Title	Section	Comment	Link / Reference	UN SDG	UN Global Compact Principle
102-18	Governance structure	Governance		2021 Proxy pp. 16-19 How We Are Organized: Standing Committees of the Board of Directors CDP Climate C1.1; C1.2		
Stakeholder Engagement						
Disclosure Key	Disclosure Title	Section	Comment	Link / Reference	UN SDG	UN Global Compact Principle
102-40	List of stakeholder groups	Stakeholder Engagement				



102-41	Collective bargaining agreements	Stakeholder Engagement	Aligned to SDG Target 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	2020 Form 10-K p.3-4 Human Capital Management		3
102-42	Identifying and selecting stakeholders	Stakeholder Engagement	Aligned to SDG Target 16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels			1,2
102-43	Approach to stakeholder engagement	Stakeholder Engagement				
102-44	Key Topics and Issues Raised	Stakeholder Engagement				


About This Report

Disclosure Key	Disclosure Title	Section	Comment	Link / Reference	UN SDG	UN Global Compact Principle
102-45	Entities Included in the Consolidated Financial Statements	About This Report		2020 Form 10-K pp. 24-25 Operations		
102-46	Defining Report Content and Topic Boundaries	About This Report	Aligned to SDG Target 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.			
102-47	List of Material Topics	About This Report				
102-48	Restatements of Information	About This Report				
102-49	Changes in Reporting	About This Report				
102-50	Reporting Period	About This Report				
102-51	Date of Most Recent Report	About This Report				
102-52	Reporting Cycle	About This Report				
102-53	Contact Point for Questions Regarding the Report		For any questions on this report, please contact John Oliver (john.oliver@grace.com) or Nathan Hipolito (nathan.hipolito@grace.com) of Grace's Corporate Sustainability team			
102-54	Claims of Reporting in Accordance with GRI Standards	About This Report				
102-55	GRI Content Index	GRI Content Index				
102-56	External Assurance	About This Report				


Economic Value Generated and Distributed



Disclosure Key	Disclosure Title	Section	Comment	Link / Reference	UN SDG	UN Global Compact Principle
103-1	Explanation of the material topic and its Boundary	Economic Value Generated and Distributed: Our Business Segments	Aligned with SDG Target 12.1 Implement the 10-year framework of programmes on sustainable consumption and production, all	2020 Form 10-K p.7 Catalyst Technologies: Manufacturing, Marketing and Raw Materials		8,9


			countries taking action, with developed countries taking the lead, taking into account the development and capabilities of developing countries	2020 Form 10-K p.10 Material Technologies: Manufacturing, Marketing and Raw Materials; CDP Climate C2.4a CDP Water W4.3		
103-2	The management approach and its components	Economic Value Generated and Distributed: Our Management Approach		2020 Form 10-K p.2 Profitable Growth Strategy 2020 Form 10-K p.3 Grace Value Model		
103-3	Evaluation of the management approach	Economic Value Generated and Distributed: Our Performance		2020 Form 10-K Financial Performance		
201-1	Direct Economic Value Generated and Distributed			2020 Form 10-K p. 30 (Item 6: Selected Financial Data); p.33 (Analysis of Operations)		
201-2	Financial implications and other risks and opportunities due to climate change	Risk Mitigation and Adaptation				
201-3	Defined benefit plan obligations and other retirement plans			2020 Form 10-K pp. 49-51 Employee Benefit Plans		
201-4	Financial assistance received from government		Information on US tax credits received by Grace can be found in 2020 Form 10-K pp. 54-55 Income Taxes			
Ethics and Integrity						
Disclosure Key	Disclosure Title	Section	Comment	Link / Reference	UN SDG	UN Global Compact Principle
103-1	Explanation of the material topic and its Boundary	Ethics: Our Commitment	Aligned to SDG Target 16.5 Substantially reduce corruption and bribery in all their forms			10
103-2	The management approach and its components	Ethics: Our Management Approach				
103-3	Evaluation of the management approach	Ethics: Our Performance				
102-16	Values, principles, standards, and norms of behavior	Ethics: Our Management Approach				
102-17	Mechanisms for advice and concerns about ethics	Ethics: Our Management Approach				
205-1	Operations assessed for risks related to corruption	Ethics: Our Performance				
205-2	Communication and training about anti-corruption policies and procedures	Ethics: Our Performance				
205-3	Confirmed incidents of corruption and actions taken	Ethics: Our Performance				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Ethics: Our Performance				

Natural Resource Management: Energy, GHG and Emissions						
Disclosure Key	Disclosure Title	Section	Comment	Link / Reference	UN SDG	UN Global Compact Principle
103-1	Explanation of the material topic and its Boundary	Energy, GHG and Emissions: Our Commitment	Aligned to SDG Target 12.4	Environmental Performance -- grace.com		7,8
103-2	The management approach and its components	Energy, GHG and Emissions: Our Management Approach	By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment	CDP Climate C1.1; C.1.2		7,8
103-3	Evaluation of the management approach	Energy, GHG and Emissions: Our Performance		CDP Climate C1.2		8,9
305-1	Direct (Scope 1) GHG emissions	Energy, GHG and Emissions: Our Performance	The Global Warming Potential (GWP) reference used was the IPCC Fifth Assessment Report (AR5 – 100 year). Biogenic carbon emissions are not relevant to Grace (See CDP Climate C7.1, 6.7). We include CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ in greenhouse emissions calculations. Our reporting boundary for GHG emissions data are all manufacturing and administrative facilities (excluding warehouses and sales offices) under Grace's operational control. Grace is establishing its base year emissions in alignment with CDP guidance for 2020. In 2020, we improved our data collection and emissions calculation methodologies. This reporting year we are also excluding 'non-industrial buildings'. We used the following standards / methodologies for our data collection and emissions calculations: (See CDP Climate C5.1, 0.5)	CDP Climate C6.1; C7.1; C7.2 Environmental Performance -- grace.com		7,8
305-2	Energy indirect (Scope 2) GHG emissions	Energy, GHG and Emissions: Our Performance CDP Climate C6.2 Environmental Performance -- grace.com	The Global Warming Potential (GWP) reference used was the IPCC Fifth Assessment Report (AR5 – 100 year). Biogenic carbon emissions are not relevant to Grace (See CDP Climate C7.1, 6.7). We include CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ in greenhouse emissions calculations. Our reporting boundary for Scope 2 (market-based) emissions data are all manufacturing and administrative facilities (excluding warehouses and sales offices) under Grace's operational control. Grace is establishing its base year emissions in alignment with CDP guidance for 2020. In 2020, we improved our data collection and emissions calculation methodologies. This reporting year we are also excluding 'non-industrial buildings'. We used the following standards / methodologies for our data collection and emissions calculations: (See CDP Climate C5.1, 0.5)	CDP Climate C6.3; 7.5; 7.6 Environmental Performance -- grace.com		7,8

305-3	Other indirect (Scope 3) GHG emissions	Energy, GHG and Emissions: Our Performance CDP Climate C6.5	The Global Warming Potential (GWP) reference used was the IPCC Fifth Assessment Report (AR5 – 100 year). Biogenic carbon emissions are not relevant to Grace (See 2020 CDP Climate C7.1, 6.7). We include CO2, CH4, N2O, HFCs, PFCs, SF6, NF3 in greenhouse emissions calculations We have selected 2020 as our base year due to our improved Scope 3 data collection and calculation process this year. Grace calculates its Scope 3 emissions using the WRI Scope 3 Evaluator tool.	CDP Climate C6.5 Environmental Performance -- grace.com		7,8
305-4	GHG emissions intensity	Energy, GHG and Emissions: Our Performance		CDP Climate C6.10		7,8
305-5	Reduction of GHG emissions	Energy, GHG and Emissions: Our Performance		CDP Climate C4.3; C6.1; C6.3 Environmental Performance -- grace.com		8,9
305-6	Emissions of ozone-depleting substances (ODS)	This is not relevant for Grace.				7,8
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Energy, GHG and Emissions: Our Performance		Environmental Performance -- grace.com		7,8




Natural Resource Management: Energy						
Disclosure Key	Disclosure Title	Section	Comment	Link / Reference	UN SDG	UN Global Compact Principle
302-1	Energy consumption within the organization	Energy, GHG and Emissions: Our Performance	Our energy consumption data are collected from our all global manufacturing and administrative facilities (excluding warehouses and sales offices) over which we have 100% operational control. (See CDP Climate C8.2). Data is collected annually from our facilities and aggregated and reported at the corporate level. Grace has aligned its greenhouse gas reporting processes to conform with the World Resource Institute's (WRI) Greenhouse Gas Reporting Protocol and the US EPA Mandatory Greenhouse Gas Reporting Rule using 2019 as its baseline year. (See CDP Climate 5.1, 5.2)	CDP Climate C-CH8.2a Environmental Performance -- grace.com	 (Aligned to SDG Target 12.4)	7,8
302-2	Energy consumption outside of the organization		This is currently not reported by Grace.			
302-3	Energy intensity	Energy, GHG and Emissions: Our Performance				7,8
302-4	Reduction of energy consumption	Energy, GHG and Emissions: Our Performance		CDP Climate C4.3		8,9
302-5	Reductions in energy requirements of products and services	.	This is currently not disclosed by Grace			

Water Management						
Disclosure Key	Disclosure Title	Section	Comment	Link / Reference	UN SDG	UN Global Compact Principle
103-1	Explanation of the material topic and its Boundary	Water Management: Our Commitment	Aligned to SDG Target 6.3		 	7,8
103-2	The management approach and its components	Water Management: Our Management Approach	By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally	CDP Water W1.2 Environmental Performance - grace.com		7,8
103-3	Evaluation of the management approach	Water Management: Our Performance	Aligned to SDG Target 12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment			8,9
303-1	Interactions with water as a shared resource	Water Management: Our Commitment				7,8
303-2	Management of water discharge-related impacts	Water Management: Our Management Approach				7,8
303-3	Water withdrawal	Water Management: Our Performance	<p>WR Grace internally monitors its water withdrawals primarily through invoices sent by third-party providers or through direct readings obtained at the point of withdrawal. Additionally, many sites have flow meters which can be accessed as needed (daily or otherwise) to obtain and verify flow data.</p> <p>Water withdrawals from public utilities are monitored at a frequency applicable to the billing cycle of that water utility. In instances where water withdrawals data exceeds a period of 3 months, water withdrawal is estimated. Where data is unavailable applicable estimates are made. In cases where water withdrawal is from surface or ground water, withdrawal data is obtained on a monthly basis from in line water flow meters. Data gaps for both public utilities and surface or ground water are addressed through engineering estimation where required. (See CDP Water W.1.2)</p>			7,8
303-04	Water Discharge	Water Management: Our Performance	<p>Grace complies with all operating and discharge permits pursuant to national, federal, state, and local regulations. We regularly monitor discharge water quality to maintain compliance with our permits.</p> <p>Water discharges from facilities are monitored through either or both (where applicable) public</p>	CDP Water W1.2		7,8


			owned treatment works or effluent flow meters at discharge points. Measurement frequency is determined by permit obligations or operational requirements and may range from daily to monthly. Data gaps for both publicly owned treatment works or other receiving bodies (such as industrial park wastewater treatment plant or host facilities the Grace facility is embedded into) is estimated according to applicable regulatory guidance and internal procedures. The specific method for monitoring each water quality parameter will be established by the appropriate regulatory body and specified in the operating permit.			
303-05	Water Consumption	Water Management: Our Performance		CDP Water W1.2 Environmental Performance - grace.com		7,8
Natural Resource Management: Waste Management						
Disclosure Key	Disclosure Title	Section	Comment	Link / Reference	UN SDG	UN Global Compact Principle
103-1	Explanation of the material topic and its Boundary	Waste Management: Our Commitment	Aligned to SDG Target 11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management			7,8
103-2	The management approach and its components	Waste Management: Our Management Approach				7,8
103-3	Evaluation of the management approach	Waste Management: Our Performance		Aligned to SDG Target 12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment		
306-01	Waste generation and significant waste-related impacts	Waste Management: Our Management Approach				7,8
306-02	Management of significant waste-related impacts	Waste Management: Our Management Approach				7,8
306-03	Waste generated	Waste Management: Our Performance		Environmental Performance - grace.com		7,8
306-04	Waste diverted from disposal	Waste Management: Our Performance		Environmental Performance - grace.com		7,8
306-05	Waste directed from disposal	Waste Management: Our Performance		Environmental Performance - grace.com		7,8
Environmental Compliance						
Disclosure Key	Disclosure Title	Section	Comment	Link / Reference	UN SDG	UN Global Compact Principle

103-1	Explanation of the material topic and its Boundary	Environmental Compliance: Our Commitment				
103-2	The management approach and its components	Environmental Compliance: Our Management Approach				
103-3	Evaluation of the management approach	Environmental Compliance: Our Performance				
307-1	Non-compliance with environmental laws and regulations	Environmental Compliance: Our Performance				

People, Inclusion and Diversity: Employment

Disclosure Key	Disclosure Title	Section	Comment	Link / Reference	UN SDG	UN Global Compact Principle
103-1	Explanation of the material topic and its Boundary	People, Inclusion and Diversity: Our Commitment	<p>Aligned to SDG Target 5.5 Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.</p> <p>Aligned to SDG Target 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</p> <p>Aligned to SDG Target 10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard</p>		  	1,6
103-2	The management approach and its components	People, Inclusion and Diversity: Our Management Approach		1,6		
103-3	Evaluation of the management approach	People, Inclusion and Diversity: Our Performance		1,6		
405-01	Diversity of governance bodies and employees	People, Inclusion and Diversity: Our Performance > Executive Diversity and Inclusion	<p>Note that all 8 directors serving on the Grace board are above 50 years in age.</p> <p>Grace does not disclose its employee diversity data by gender and age group. This information is considered proprietary and not disclosed to third parties.</p>			1,6
405-02	Ratio of basic salary and remuneration of women to men		Grace does not disclose its salary ratio data of male and female employees by employee category. This information is considered proprietary and not disclosed to third parties.			1,6
406-01	Incidents of discrimination and corrective actions taken		Grace does not disclose information on its employee category. This information is considered proprietary and not disclosed to third parties.			1,6



People, Inclusion and Diversity: Training and Development

Disclosure Key	Disclosure Title	Section	Comment	Link / Reference	UN SDG	UN Global Compact Principle
404-01	Average hours of training per year per employee	People, Inclusion and Diversity: Our Performance > Professional Development	Aligned to SDG Target 4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship			1,6
404-02	Programs for upgrading employee skills and transition assistance programs	People, Inclusion and Diversity: Our Management Approach > Professional Development				1,6
404-03	Percentage of employees receiving regular performance and career development reviews		Grace does not disclose its employee performance review data by gender and employee category. This information is considered proprietary and not disclosed to third parties.			1,6

People, Inclusion and Diversity: Employment


Disclosure Key	Disclosure Title	Section	Comment	Link / Reference	UN SDG	UN Global Compact Principle
401-01	New employee hires and employee turnover		Grace does not disclose information on its new employee hires and employee turnover by age group, race and region. This information is considered proprietary and not disclosed to third parties.			1,6
401-02	Benefits provided to full-time employees that are not provided to temporary or part-time employees	People, Inclusion and Diversity: Our Management Approach > Total Rewards				1,6
401-03	Parental leave		Grace does not disclose parental leave data by gender. This information is considered proprietary and not disclosed to third parties.			1,6

Human Rights: Forced and Child Labor


Disclosure Key	Disclosure Title	Section	Comment	Link / Reference	UN SDG	UN Global Compact Principle
103-1	Explanation of the material topic and its Boundary	Human Rights: Our Commitment	Aligned to SDG Target 8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms			1,3,4,5
103-2	The management approach and its components	Human Rights: Our Management Approach				1,3,4,5
103-3	Evaluation of the management approach	Human Rights: Our Performance	Aligned to SDG Target 8.8 Protect labour rights and promote safe and secure working environments of all workers, including migrant workers, particularly women migrants, and those in precarious employment Aligned to SDG Target 16.2			

			End abuse, exploitation, trafficking and all forms of violence and torture against children			
408-1	Operations and suppliers at significant risk for incidents of child labor	Human Rights: Our Performance	We do not consider our operations and value chain to be at risk of child labor, forced labor or other human rights violations.			1,5
409-1	Operations and suppliers at significant risk for incidents of forced labor	Human Rights: Our Performance	We do not consider our operations and value chain to be at risk of child labor, forced labor or other human rights violations.			1,4
412-1	Operations that have been subject to human rights reviews or impact assessments	Human Rights: Our Performance				1
412-2	Employee training on human rights policies or procedures	Human Rights: Our Performance				1
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		All Grace acquisitions undergo a rigorous due diligence process to evaluate all EHSS risks, which include an assessment of human and labor rights risks, prior to these facilities joining Grace. Grace made no significant acquisitions in 2020.			1

Human Rights: Collective Bargaining

Disclosure Key	Disclosure Title	Section	Comment	Link / Reference	UN SDG	UN Global Compact Principle
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		We do not consider our operations and value chain to be at risk of collective bargaining violations.			1,3

Health, Safety and Process Safety

Disclosure Key	Disclosure Title	Section	Comment	Link / Reference	UN SDG	UN Global Compact Principle
103-1	Explanation of the material topic and its Boundary	Health, Safety and Process Safety: Our Commitment	Aligned to SDG Target 3.9			1,6
103-2	The management approach and its components	Health, Safety and Process Safety: Our Management Approach	By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination			
103-3	Evaluation of the management approach	Health, Safety and Process Safety: Our Performance	Aligned to SDG Target 8.8			
403-01	Occupational Health & Safety Management System	Our Management Approach: Leadership and EHS Management System	Protect labour rights and promote safe and secure working environments of all workers, including migrant workers, particularly women migrants, and those in precarious employment	EHS Management System - grace.com		
403-02	Hazard identification, risk assessment, and incident investigation	Our Management Approach: Hazard and Risk Identification		EHS Management System - grace.com		






403-03	Occupational Health Services	Our Management Approach: Occupational Health Services				
403-04	Worker participation, consultation, and communication on occupational health and safety	Our Management Approach: EHS Engagement EHS Management System - grace.com				
403-05	Worker training on occupational health and safety	Our Management Approach: EHS Engagement EHS Management System - grace.com				
403-06	Promotion of worker health	Our Management Approach: Occupational Health Services				
403-07	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Responsible Sourcing				
403-08	Workers covered by an occupational health and safety management system	Our Management Approach: Leadership and EHS Management System EHS Management System - grace.com				
403-09	Work-related injuries	Health, Safety and Process Safety: Our Performance Safety Performance - grace.com				
403-10	Work-related ill health	Our Performance Safety Performance - grace.com				


Cybersecurity

Disclosure Key	Disclosure Title	Section	Comment	Link / Reference	UN SDG	UN Global Compact Principle
103-1	Explanation of the material topic and its Boundary	Cybersecurity				
103-2	The management approach and its components	Cybersecurity				
103-3	Evaluation of the management approach	Cybersecurity				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		In 2020, we have not received any substantiated complaints regarding customer privacy breaches from external parties or regulatory agencies. We do not disclose information on data breaches.			

Product Stewardship

Disclosure Key	Disclosure Title	Section	Comment	Link / Reference	UN SDG	UN Global Compact Principle
103-1	Explanation of the material topic and its Boundary	Product Stewardship: Our Commitment Product Risk Management - grace.com	Aligned to SDG Target 3.9			8,9

103-2	The management approach and its components	Product Stewardship: Our Management Approach Product Risk Management - grace.com	By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination			8,9
103-3	Evaluation of the management approach	Product Stewardship: Our Performance Addressing Four Key Sustainability Endpoints - grace.com	Aligned to SDG Target 6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally			8,9
416-01	Assessment of the health and safety impacts of product and service categories	Product Stewardship: Our Management Approach Product Risk Management - grace.com Addressing Four Key Sustainability Endpoints - grace.com	Aligned with SDG Target 8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead			8,9
416-02	Incidents of non-compliance concerning the health and safety impacts of products and services	Product Stewardship: Our Performance	Aligned with SDG Target 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities			8,9
			Aligned with SDG Target 12.1 Implement the 10-year framework of programmes on sustainable consumption and production, all countries taking action, with developed countries taking the lead, taking into account the development and capabilities of developing countries			

Responsible Sourcing						
Disclosure Key	Disclosure Title	Section	Comment	Link / Reference	UN SDG	UN Global Compact Principle
103-1	Explanation of the material topic and its Boundary	Responsible Sourcing: Our Commitment	Aligned to SDG Target 8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms	Supplier Code of Conduct - grace.com Supplier Monitoring and Audit - grace.com		2, 3, 4, 5, 6
103-2	The management approach and its components	Responsible Sourcing: Our Management Approach		Supplier Code of Conduct - grace.com Supplier Monitoring and Audit - grace.com		
103-3	Evaluation of the management approach	Responsible Sourcing: Our Performance		Supplier Code of Conduct - grace.com Supplier Monitoring and Audit - grace.com		
308-1	New suppliers that were screened using environmental criteria	Responsible Sourcing: Our Management Approach and Our Performance	Aligned to SDG Target 8.8	Supplier Code of Conduct - grace.com Supplier Monitoring and Audit - grace.com		

308-2	Negative environmental impacts in the supply chain and actions taken	Responsible Sourcing: Our Management Approach and Our Performance Supplier Code of Conduct - grace.com Supplier Monitoring and Audit - grace.com	<p>Protect labour rights and promote safe and secure working environments of all workers, including migrant workers, particularly women migrants, and those in precarious employment</p> <p>Aligned with SDG Target 12.7 Promote public procurement practices that are sustainable, in accordance with national policies and priorities.</p>			
414-1	New suppliers that were screened using social criteria	Responsible Sourcing: Our Management Approach and Our Performance Supplier Code of Conduct - grace.com Supplier Monitoring and Audit - grace.com				
414-2	Negative social impacts in the supply chain and actions taken	Responsible Sourcing: Our Management Approach and Our Performance Supplier Code of Conduct - grace.com Supplier Monitoring and Audit - grace.com				