

AUGUST 2020



SUSTAINABILITY UPDATE



ACME-HARDESTY, CO.

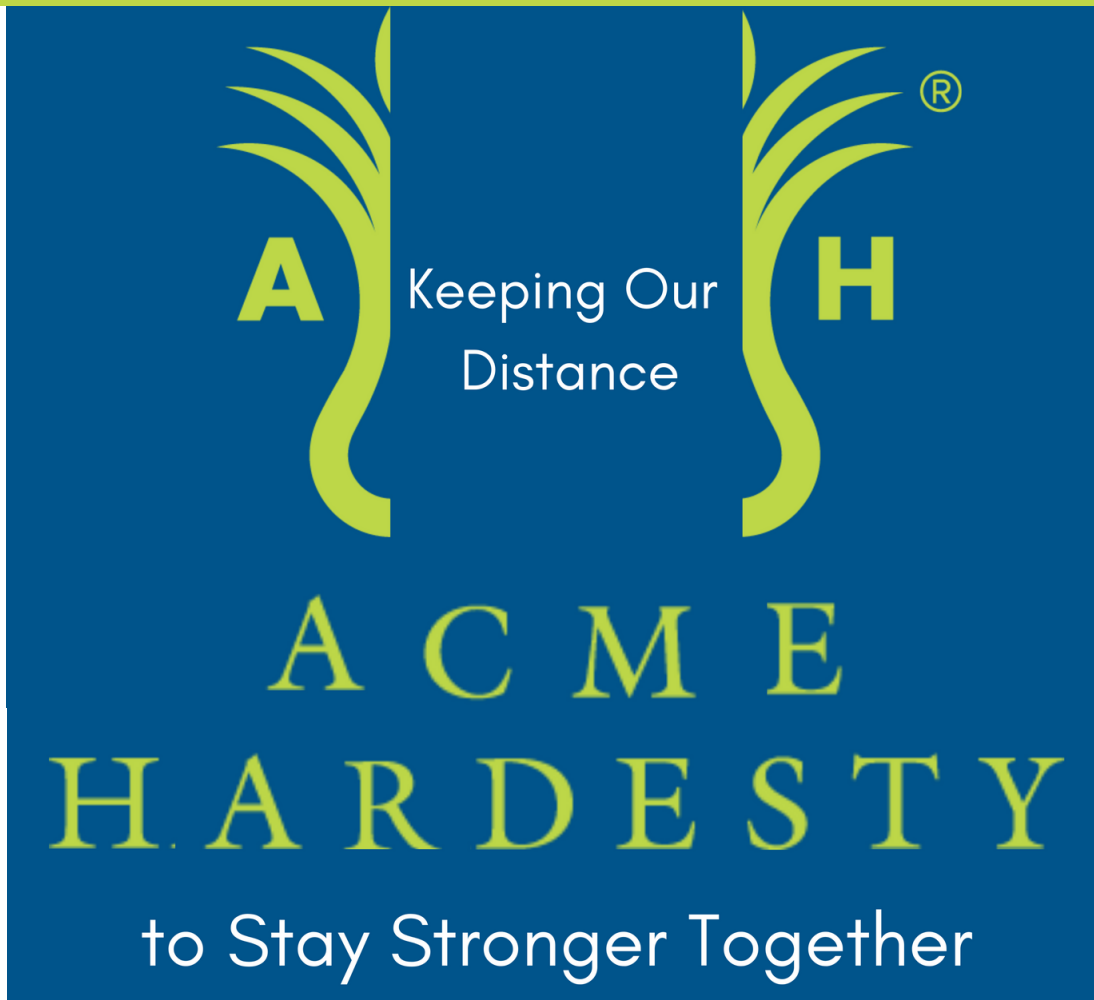


WHO WE ARE

Acme-Hardesty began more than 75 years ago. As a division of Jacob Stern and Sons, we're built upon an even longer history of innovation and growth. We see ourselves as the bridge that connects suppliers in far away places with customers in North America. And as a pipeline—one that brings essential materials, needed by thousands of manufacturers, to create products that make life better for millions of consumers worldwide. We prioritize sustainability in the bio-based chemical sourcing industry and provide renewable, sustainable alternatives for manufacturers.

At Acme-Hardesty, our word is our bond. We're dedicated to making a difference for the people and the planet, and we want to help you do the same. We understand sustainable sourcing is the present and future, and manufacturers should be able to reap the benefits of ethical sourcing. As such, we'll work with manufacturers to teach them about sustainable sourcing, ensuring they can enjoy the benefits of ethical sourcing for years to come.

DEDICATION TO
SUSTAINABILITY



COVID-19 UPDATE

Acme-Hardesty Co. is a “safety first” organization committed to the well-being of our employees, customers, supplier partners and community. We continue to take steps to protect the health and safety of our employees while proactively communicating with our partners and customers. Throughout this global pandemic we have and will continue to operate at 100% capacity. Our technical infrastructure has afforded us the ability to do so even while our colleagues support our customers from multiple remote locations.

Acme-Hardesty Co. is committed to following Federal, State and CDC guidelines. We have appointed a fully trained Pandemic Safety Officer and on a weekly basis review our procedures that maintain the security of our supply chain and business continuity. We are proud to serve our customers who keep communities safe by supplying glycerin for hand sanitizers, surfactants for soaps, and other much needed ingredients.



HEALTH AND SAFETY OF OUR EMPLOYEES:

- All employees have been made aware of the symptoms and precautions to take to reduce the risk of acquiring and spreading the virus, including proper hand washing techniques.
- Furthermore, all employees have been instructed to work from home until further notice to minimize the number of staff in the office.
- Enhanced hygiene accessibility has been provided throughout the Blue Bell Office, as well as additional overnight cleansing and sanitization.

COMMUNICATION AND OPERATING RHYTHM:

- The Senior Leadership Team (SLT) meets on a weekly basis (or more frequently, as needed) to discuss internal and external risks associated with the COVID-19 outbreak.
- We are in constant communication with our supplier partners to understand their challenges and associated risks.

SECURITY OF SUPPLY:

- At this time, we have adequate inventory in stock to accommodate most needs. We continue to assess this situation daily.
- Currently, we are not experiencing any difficulty in obtaining our raw materials. We are projecting that there may be potential shortages of inbound containers coming from Asia and Southeast Asia.
- We are taking proactive measures by shipping additional material over the next several weeks to manage levels of inventory.
- We will be holding elevated inventory levels for key products.

BUSINESS CONTINUITY:

- Each employee has confirmed they have the ability to work from home will continue to for as long as necessary.
- We cannot guarantee that our office will not be affected, however we will continue to provide you with the best customer service possible.

A close-up photograph of two hands, one light-skinned and one dark-skinned, clasped together in a supportive grip. The background is a solid brown color.

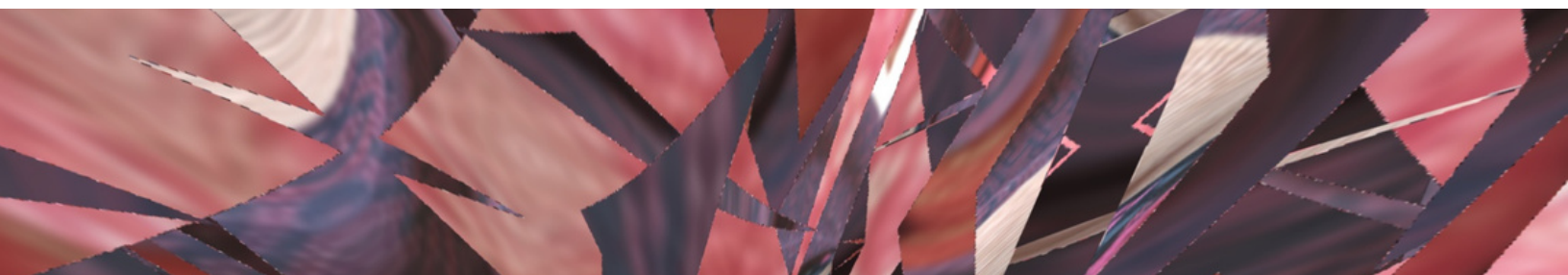
DIVERSITY & INCLUSION

We are living through truly history-making times. The pandemic, the recent events of brutality and racism, and the resultant social outcry have weighed heavy on our hearts and imposed a stress-test on our society and on each of us as human beings. For many, it has caused us to look at ourselves and the communities where we work and live and ask how we can help to bring positive change where change is needed.

At Acme-Hardesty, the cornerstone of our stated cultural beliefs are respectful relationships, with inherent values of integrity and fairness that go back 163 years with our parent company, Jacob Stern. We are committed to the pursuit of diversity, inclusion, and equal access to opportunity.

Our respectful culture and social awareness challenge us to look for ways Acme-Hardesty can make a difference. We have chosen not to rush to quick fixes, but rather listen, learn, and then act to best support diversity and inclusion at our company and in our communities. Our engaged leadership and team members are committed to positive and sustainable changes.

We will continue to be transparent with the steps we are taking to make our company and communities better for all who work and live here. Our targeted areas of support currently are donations, mentoring, and education.



SUSTAINABLE INGREDIENTS

Our work in finding the highest quality, sustainable ingredients for our customers is never done. In the first 6 months of 2020 alone we have 15 new RSPO products. We continue to source ingredients with a focus on GMO-Free, Organic, COSMOS, Vegan, and other certifications to insure our ingredients are the best for your formulations and for the planet.



NEW RSPO PRODUCTS

- AcMulse™ S2
- AcMulse™ S20
- AcMulse™ S21
- AcMulse™ Wax
- AcThix™ 6000 DS
- EnMulse™ C20
- EnMulse™ C25
- EnMulse™ S2
- EnMulse™ S20
- EnMulse™ S21
- EnMulse™ Wax
- EnMulse™ Wax LOR
- EnThix™ 6000 DS
- Methyl Caproate-Caprates
- Methyl Caprylate

NEW ORGANIC PRODUCTS

- Aktiv™ Organic Castor Oil
- Aktiv™ Coconut Nectar
- Aktiv™ Coconut Powder
- Aktiv™ Organic MCT
- Aktiv™ Organic MCT Powder
- Biosecur Organic Preservative
- Citrue Bisabolol 95
- Dandelion Leaf Powder
- Ginger Extract
- Ginseng Extract
- Hemp Seed Protein
- Moringa Leaf Extract
- Mulberry Leaf Extract
- Mung Bean Seed Protein
- PreBio M
- PreBio T
- Organic Caprylic Acid
- Organic Coconut MCT
- Organic Coconut Oil
- Organic Glycerin
- Organic Lauric Acid
- Organic Stearic Acid
- Pea Protein
- Pumpkin Seed Protein
- Rice Seed Protein
- Sunflower Seed Protein



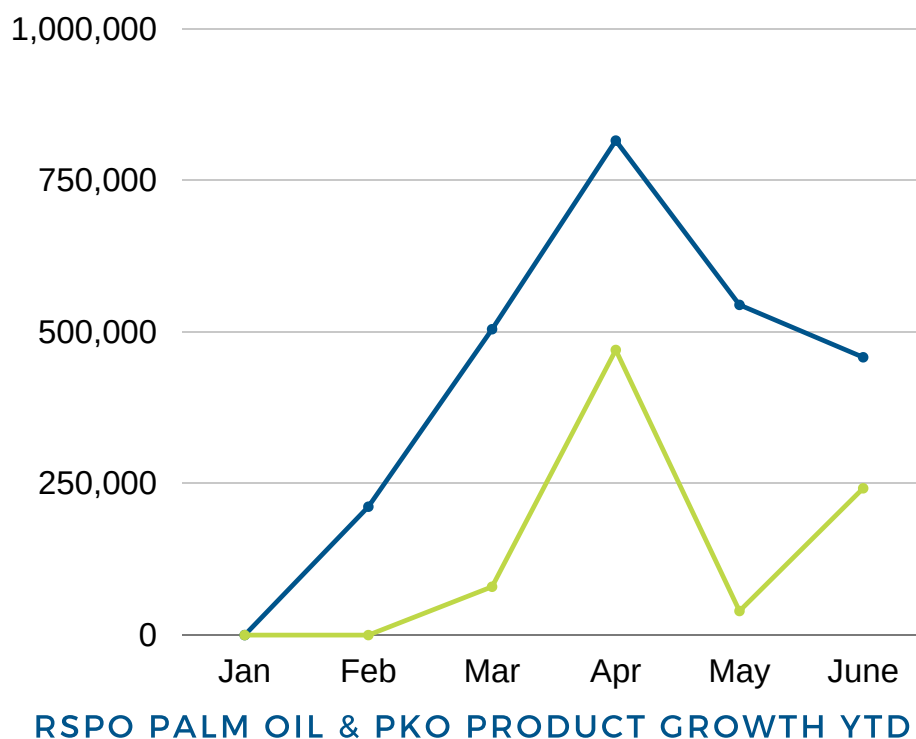


RSPO MASS BALANCE

Acme-Hardesty is committed to reducing our contribution to deforestation as a result of the palm oil industry. We work closely with the Roundtable on Sustainable Palm Oil (RSPO) to ensure traceability of the raw materials used in the ingredients we distribute.

We are a proud member of the RSPO and our Mass Balance Certification is subject to strict verification, annual audit and a 5-year reassessment. Our entire product line of fatty acids, alcohols and esters are now available as RSPO.

Responsibly addressing the environmental issues associated with Palm oil is a top priority for Acme-Hardesty. We have had 6% growth in RSPO imports in the first half of the year and are on our way to meeting our goals for 2020.



6%

Increase in RSPO
imports YTD
versus prior year

CASTOR MODEL FARM PROJECT

As part of our firm commitment to achieving sustainability, Acme-Hardesty is a proud partner of the Castor Model Farm Project. This initiative and its sponsors are committed to making castor seed farming more sustainable. To raise castor productivity by working closely with farmers, the Castor Model Farm Project will establish 200 farms for castor cultivation in five districts of Gujarat, which accounts for 80% of castor production in India. As part of the initiative, farms involved in the project will receive certified seeds, fertilizers, technical expertise and other farm inputs free of cost to farmers.

Castor seed cultivation had lost farmers' interest due to higher input costs and reduced margins. Acme-Hardesty works closely with farmers to gauge progress and show our commitment and passion for sustainability. New farming techniques will lead to higher productivity and will insulate farmers from price fluctuation and sustain their interest to grow castor seed.

PROGRESS

258

NUMBER OF
MODEL FARMS

3846

KGS/HA

MODEL FARMS
YIELD

56.6 %

AVERAGE
PRODUCTIVITY
INCREASE



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