



balchem®

Making the World a Healthier Place: Our 2019 Sustainability Report Executive Summary

OUR MISSION

We made good progress in 2019, and our two sustainability objectives remain the same as we look to the future:

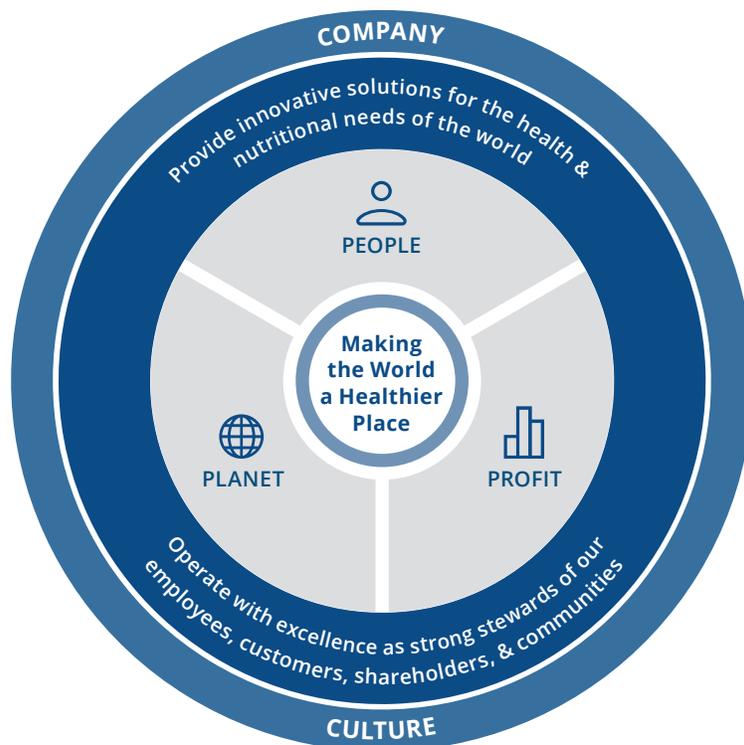
- Providing innovative solutions for the health and nutritional needs of the world
- Operating with excellence as strong stewards of our employees, customers, shareholders, and communities (our stakeholders)

Our vision is clear – to make the world a healthier place. Every day, Balchem is delivering trusted solutions that enhance health and nutrition through science. One of our proud accomplishments is

that we were able to impact 1.4 billion people around the world this year through human nutrition products, and through people being fed by animals supplemented with our vital nutrients.

Our Sustainability Framework focuses on the most critical Environmental, Social, and Governance (ESG) topics relevant to our business and stakeholders. This report highlights our efforts within three pillars: People, Planet, and Profit. We welcome you to join our sustainability journey as we help make the world a healthier place.

Our Sustainability Framework



1.4 Billion People Reached in 2019

The total number of people impacted is calculated by the daily recommended doses of minerals, essential nutrients, and vitamins and the annual consumption of protein.



MEASURING OUR PROGRESS

Making
the World
a Healthier
Place



PEOPLE



PLANET



PROFIT



1.4 billion – number of people reached per year



10.7 billion – number of animals reached per year



24.7% – revenue from products developed in the past five years



1.32 – total recordable injury rate (TRIR)



0.59 GJ – energy intensity (GJ of energy per ton of product produced)

74,947 – scope 1 and scope 2 greenhouse gas emissions (CO₂e metric tons)



\$643.7M – total revenue



24% – hourly employee turnover
7% – salary employee turnover



10.87 CBM – water intensity (cubic meters of water withdrawal per metric ton of product produced)

0% – water withdrawal from regions with high or extremely high baseline water stress



\$160.0M – adjusted EBITDA**



76% males, 24% females – employee diversity



99% – hazardous waste reused or recycled

75% – hazardous material suppliers audited in the last 3 years*



\$79.7M – GAAP net earnings

\$2.45 – GAAP earnings per share



78% – R&D focused on health and nutrition



100% – of palm oil sourced certified through RSPO

45% – raw materials from renewable resources



121% – free cash flow conversion



100% – manufacturing sites with local community engagement efforts



0 – product recalls



19.2% – 5-year total shareholder return (TSR) vs Russell 2000 Index

Note: Scorecard metrics represent priority focus areas, but additional metrics may be disclosed to satisfy analyst needs. The number of people reached is calculated by the daily recommended dose of vitamins and annual consumption of protein in 2019. *Balchem defines hazardous materials as ethylene oxide, trimethylamine, hydrochloric acid, anhydrous ammonia, propylene oxide, and carbon disulfide. **Adjusted EBITDA is defined as earnings before interest, other expense/income, taxes, depreciation, amortization, stock-based compensation, acquisition-related expenses, indemnification settlements, legal settlements, and the fair valuation of acquired inventory.