

OUR VISION

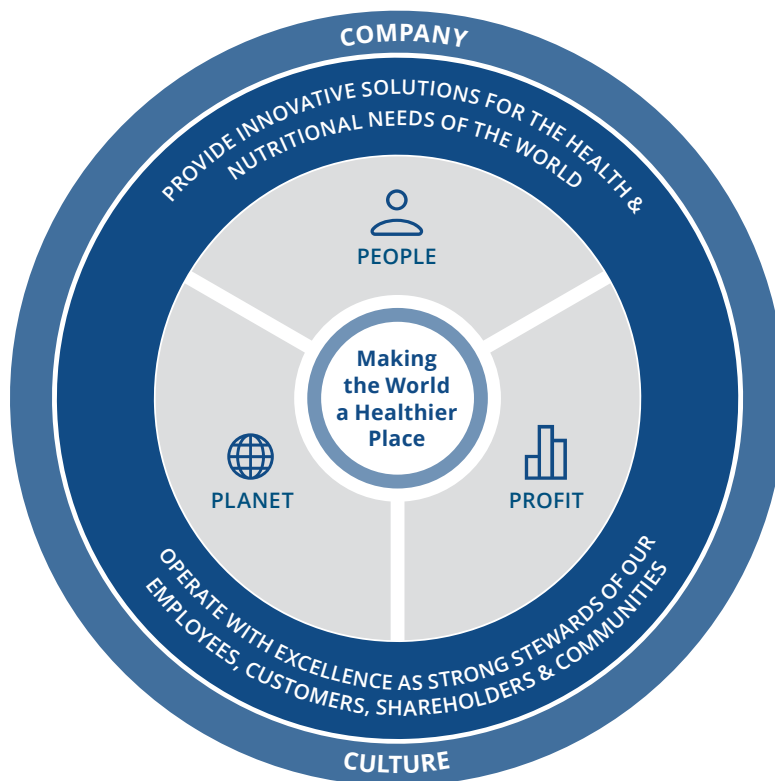
As we look to the future, our two sustainability objectives remain the same:

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

Each and every day, Balchem delivers trusted solutions that enhance health and nutrition through science. We are proud of

our accomplishments – most notably our ability to impact 1.4 billion people around the world in 2021 by developing human nutrition products and supplementing the animals those humans eat 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 2021

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
























Making the World a Healthier Place

OUR 2021 SUSTAINABILITY REPORT



MEASURING OUR PROGRESS



 PEOPLE	 PLANET	 PROFIT
 1.4 billion people reached per year	 11.4 billion animals reached per year	 27.9% of revenue from products developed in the past five years
 0.99 total recordable injury rate (TRIR)	 3.71 GJ/ton of energy intensity (GJ of energy per ton of product produced) 77,281 CO₂e metric tons of scope 1 and scope 2 GHG emissions	 \$799M total revenue
 34% hourly employee turnover 13% salary employee turnover	 12.29 CBM of water intensity (cubic meters of water withdrawal per metric ton of product produced) 4.2M CBM of total water withdrawal 0.07% water withdrawal from regions with high or extremely high baseline water stress	 \$189.8M adjusted EBITDA**
 76% males, 24% females employee diversity	 99% of hazardous waste* reused or recycled 75% of hazardous material suppliers audited in the last 3 years	 \$96.1M GAAP net earnings \$2.94 GAAP earnings per share
 80% of R&D focused on health and nutrition	 100% of palm oil sourced through Roundtable on Sustainable Palm Oil (RSPO) 35% of raw materials come from renewable resources	 130% free cash flow conversion
 100% of manufacturing sites with local community engagement efforts	 0 product recalls	 29.8% five-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 2021. *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 expenses/income, taxes, depreciation, amortization, stock-based compensation, acquisition-related expenses, indemnification settlements, legal settlements, and the fair valuation of acquired inventory.



ABOUT OUR REPORT

PRIORITY SUSTAINABLE DEVELOPMENT GOALS

2 ZERO HUNGER



ZERO HUNGER

We have positively impacted over 1.4 billion people with our health and nutrition-based products.

3 GOOD HEALTH AND WELL-BEING



GOOD HEALTH AND WELL-BEING

“At our core, we are a health and nutrition company.”

— **Ted Harris**, Chairman, CEO, and President

5 GENDER EQUALITY



GENDER EQUALITY

Balchem is committed to improving diversity and building an inclusive culture throughout our company.

6 CLEAN WATER AND SANITATION



CLEAN WATER AND SANITATION

Balchem both completed and launched several projects to conserve and recycle water in 2021.

7 AFFORDABLE AND CLEAN ENERGY



AFFORDABLE AND CLEAN ENERGY

We are continuously looking for ways to improve our energy efficiency and reduce our environmental impact.

8 DECENT WORK AND ECONOMIC GROWTH



DECENT WORK AND ECONOMIC GROWTH

We believe that protecting the safety, health, and welfare of our employees and communities is the right thing to do.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



RESPONSIBLE CONSUMPTION AND PRODUCTION

We are committed to responsible raw material sourcing and are continuously looking for ways to improve our energy efficiency and reduce our environmental impact.

13 CLIMATE ACTION



CLIMATE ACTION

By 2030, Balchem commits to reducing our GHG emissions and global water usage by 25%, versus our 2020 baseline.

17 PARTNERSHIPS FOR THE GOALS



PARTNERSHIPS FOR THE GOALS

In 2020, Balchem joined the UN Global Compact, confirming our support of their Ten Principles on human rights, labor, environment, and anti-corruption.

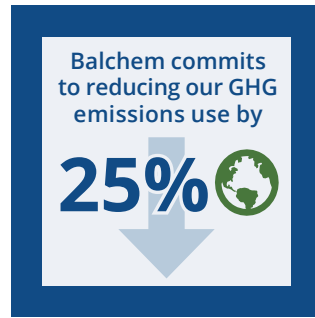


OUR 2030 ESG GOALS

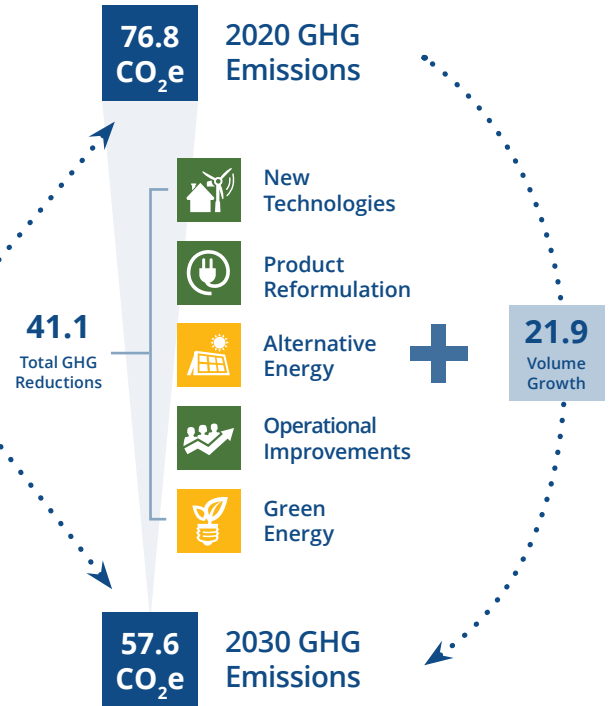


EMISSIONS REDUCTION

- **New Technologies:** Alternate methods of drying
- **Product Reformulation:** Reduce drying with product design
- **Alternative Energy:** Solar energy projects
- **Operational Improvements:** Boiler efficiency projects
- **Green Energy:** Expand purchases of renewable energy

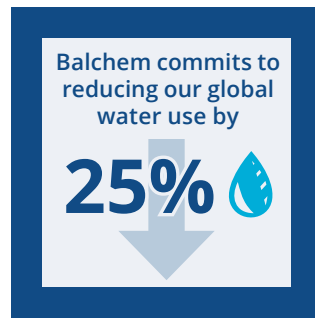


Metric Tons of CO₂e (Thousands)



WATER CONSERVATION

- **Water Reduction and Recycling:** Eliminate “once through” cooling water systems
- **Cleaning Efficiencies:** Improved water utilization through Clean-in-Place (CIP) Systems
- **New Technologies:** Invest in water efficient technology improvements
- **Operational Improvements:** Condensate recovery systems



Cubic Meters (CBM) of Water (Thousands)

