



Our 2023 Sustainability Report

Making the World a Healthier Place



Our Vision

We are committed to making the world a healthier place.

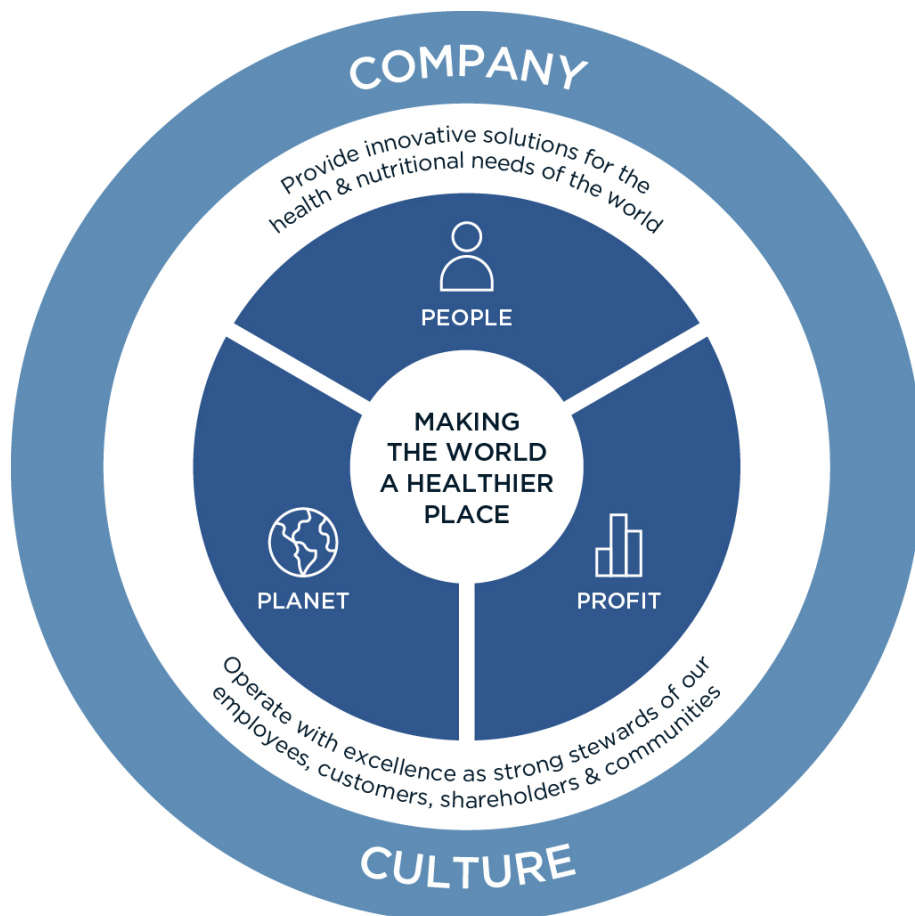
Balchem is committed to making the world a healthier place by delivering trusted, innovative, and science-based solutions for the health and nutritional needs of the world. We have built a reputation for delivering results to all of our stakeholders. We are proud of our accomplishments — most notably, our ability to reach 1.1 billion people around the world in 2023 by developing human nutrition products and supplementing the animals those humans consume with our vital nutrients.

We remain focused on our two key sustainability objectives as we look to the future:

- 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

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

Our Sustainability Framework



1.1 Billion People Reached in 2023

We calculate the total number of people we have reached by estimating the annual consumption of protein and the daily recommended doses of minerals, essential nutrients, and vitamins.

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1 | Message from Our Chairman, President and Chief Executive Officer



Message from Our Chairman, President and Chief Executive Officer

1

Sustainability is a key pillar of our company's higher purpose of making the world a healthier place.

To our employees, customers, shareholders, and communities:

Balchem is committed to making the world a healthier place by delivering trusted, innovative, and science-based solutions for the health and nutritional needs of the world. We accomplish this while operating our facilities and businesses to meet the expectations of our employees, customers, shareholders, and communities.

Balchem's sustainability efforts are fully integrated into our business strategy as we remain focused on our two main sustainability objectives: providing innovative solutions for the health and nutritional needs of the world and operating with excellence as strong stewards of our stakeholders. Our areas of priority are included in this report, and we remain focused on our three sustainability pillars: People, Planet, and Profit.

Overall, 2023 marked another successful year for Balchem as we made significant progress relating to the company's corporate social responsibilities while continuing to deliver strong business results. As we worked toward making the world a healthier place, we delivered record adjusted EBITDA and generated record free cash flow, allowing us to further strengthen our balance sheet while returning \$25.4 million to our shareholders in a double-digit increase to our dividend. We completed the integration of the Kappa Bioscience and Bergstrom Nutrition acquisitions; shared exciting new studies that support the supplementation of our portfolio of minerals, nutrients, and vitamins for both human and animal nutrition; and expanded production capacity to better meet the rising demand for human choline, an essential nutrient well known in the supplement industry in relation to cognitive, liver, and overall health.

In 2023, Balchem celebrated the third anniversary of our commitment to the United Nations ("UN") Global Compact. As a participant member, we are aligned with the Ten Principles on human rights, labor, the environment, and anti-corruption and are proud to support several of the UN Sustainable Development Goals ("SDGs"). We have made good progress toward our 2030 goals for both energy and water usage reduction, as further detailed in this report. Our continued commitment to the UN Global Compact is another step in our journey relative to our corporate social responsibilities and achieving our higher purpose of making the world a healthier place.

WE SUPPORT



Our Three Business Segments



Human Nutrition and Health:

Provides chelated minerals, the essential nutrient choline, vitamins, microencapsulation, and food ingredients for the supplement, beverage, dairy, cereal, and bakery markets



Animal Nutrition and Health:

Supplies science-based animal feed nutritional ingredients and solutions for better animal productivity and wellness



Specialty Products:

Promotes human health by ensuring the safe and timely supply of critical sterilization technology to the medical and food industries and supplies chelated minerals to the micronutrient agricultural market

Message from Our Chairman, President and Chief Executive Officer

We remain focused on our 2030 environmental goals to reduce both greenhouse gas ("GHG") emissions and water usage by 25%, on an absolute basis from a 2020 baseline. Building on the success we had in 2022, Balchem is pleased to announce that we again exceeded our GHG emissions goal, with a 31.6% absolute reduction in 2023 from our 2020 baseline. This puts us in a position to execute on our strategic growth plans and achieve our 2030 emissions reduction goal.

Balchem is excited to announce the reporting of our Scope 1, Scope 2, and Scope 3 GHG emissions for 2023. This is the first report that includes our Scope 3 emissions, which is the result of careful and diligent internal data collection and analysis.

Additionally, in 2023, Balchem reduced its water withdrawal by 7.6% compared to the 2020 baseline, representing significant progress toward our water usage reduction goal. We are excited to see a trend of improvements in our absolute water usage, and we are confident that our future planned efficiencies and changes in our use of process water will ensure that we achieve our 2030 water usage reduction goal.

In 2023, Balchem was recognized for our commitment to diversity hiring, and we were awarded the "Top Diversity Employer" award by Circa, a leading job board for underrepresented groups. This award is a testament to our hard work and dedication to creating a more diverse and inclusive workplace. As a signing member of the CEO Action Pledge, I am committed to building a diverse and inclusive culture in which everyone at Balchem feels welcomed, valued, and appreciated.

I am proud of the advancements of our Balchem Helping Hands initiatives, which encompasses all of our philanthropic activities. In 2023, we partnered with the American Nutrition Association ("ANA") and joined the ANA Nutrition Leaders Council ("NLC"). The NLC is a group of rigorously vetted, visionary companies in the nutrition ecosystem partnering with the ANA to move nutrition to the core of the healthcare system and culture. This partnership will involve creating evidence-based content to increase consumer awareness about the health benefits of our minerals and nutrients portfolio.

Our employees participated in various volunteer activities throughout the year and supported annual volunteer events, including National Volunteer Week, Giving Tuesday, and National Breast Cancer Awareness Month. Our employee matching donation program has helped support more than 75 different organizations in our communities.

Additionally, Balchem was named one of "America's Most Responsible Companies" by Newsweek® for the fourth consecutive year. This list, compiled by Newsweek in partnership with Statista Inc., recognizes the most responsible companies in the US across a variety of industries. We are pleased to be recognized by Newsweek and Statista for our leadership in corporate responsibility. This recognition is a reflection of the hard work of the broader Balchem team as we strive every day to make the world a healthier place.

Balchem is well positioned within the markets we serve, we are making good progress on our broad-based sustainability efforts, and we look forward to another strong year for the company in 2024. We are very appreciative of the support we receive from all of our stakeholders as, together, we strive to make the world a healthier place.



A handwritten signature in black ink that reads "Ted Harris".

Ted Harris
Chairman, President and Chief Executive Officer

2 | About Our Report

About Our Report

2



“We are dedicated to making the world a healthier place, and this report serves as a window into our ongoing efforts to make a positive difference for both the environment and humanity.”

— Denis Sangulin, Global Head of Sustainability

Our 2023 Sustainability Report highlights our progress during the past year and demonstrates our commitment to a sustainable future. It is the result of a continuous process of engagement with a diverse group of internal and external stakeholders. We engage with our stakeholders to understand their sustainability interests and concerns and to capture the company’s efforts and achievements in key areas of sustainability. The Corporate Governance & Nominating (“CG&N”) Committee of our Board of Directors (“Board”) oversees our sustainability-related practices and monitors the company’s progress in this area, in accordance with its responsibility for the company’s activities and practices regarding sustainability matters. We conduct a risk assessment of our priority sustainability subject areas and recalibrate as necessary. Our process includes:

- Convening a cross-functional, executive-led steering committee with representatives from business units, finance, investor relations, human resources, research and development (“R&D”), internal audit, supply chain, legal, and operations
- Ensuring strong oversight of our sustainability program through our Corporate Social Responsibility (“CSR”) Management Team, which consists of leadership from all company segments who are director level and above; the Chairman, President and Chief Executive Officer; the Sustainability Steering Committee; and the Global Head of Sustainability
- Reviewing progress with management (quarterly), an operating committee (semiannually), and our Board (annually)
- Engaging in ongoing interviews with executives and functional leaders about relevant sustainability topics
- Discussing various issues and topics with some of our largest shareholders and customers
- Reviewing leading standards and frameworks, such as the Global Reporting Initiative (“GRI”), Task Force on Climate-Related Financial Disclosures (“TCFD”), Corporate Sustainability Reporting Directive (“CSRD”) Sustainability Accounting Standards Board (“SASB”), and the UN SDGs
- Assessing upcoming regulatory requirements, such as CSRD, California’s Climate Corporate Data Accountability Act and Greenhouse Gases: Climate-Related Financial Risk, and the Securities and Exchange Commissions (“SEC”) Climate Disclosure Rule, including those at the federal and state level

Priority ESG Topics

People	
Human Nutrition & Health	2 GOOD HEALTH AND WELL-BEING, 3 GOOD HEALTH AND WELL-BEING
Animal Nutrition & Health	2 GOOD HEALTH AND WELL-BEING, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Specialty Products	2 GOOD HEALTH AND WELL-BEING, 3 GOOD HEALTH AND WELL-BEING
Product Quality & Safety	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Raw Materials Suppliers	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Human Capital	4 QUALITY EDUCATION, 5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH
Environmental, Health, Safety & Security	8 DECENT WORK AND ECONOMIC GROWTH
Community Involvement	1 NO POVERTY, 2 GOOD HEALTH AND WELL-BEING, 5 GENDER EQUALITY, 6 CLEAN WATER AND SANITATION, 8 DECENT WORK AND ECONOMIC GROWTH, 11 AFFORDABLE AND CLEAN ENERGY
Planet	
Materials Sourcing	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Energy Management	7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION
Waste Management	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Water Management	6 CLEAN WATER AND SANITATION, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
UN Global Compact Participant	17 PARTNERSHIPS FOR THE GOALS, SUSTAINABLE DEVELOPMENT GOALS
Profit	
Foundation	
Governance	
Risk Management	

About Our Report

Balchem is using various sustainability software management tools to improve data collection and reporting while creating value from sustainability initiatives. Incorporating these tools into the sustainability management process streamlines data collection, provides accountability over metrics, informs management of operational trends, and assists with setting goals. This report has been prepared with reference to the GRI Standards. The scope of the metrics and information presented in this report is equivalent to those considered in our Annual Financial Report and includes the operations of all subsidiaries. These metrics reflect the results of 12 months of operations ending on December 31, 2023.

Over 70% of Balchem's Product Revenue is in Alignment with an UN SDG

This year, we embarked on an initiative to evaluate the alignment of our product line revenue with the UN SDGs. Our analysis revealed significant insights into the impact of our operations on global

sustainability efforts. Through our extensive internal assessment, we have determined that more than 70% of our product line revenues directly support three out of the 17 UN SDGs: SDG 2 (zero hunger), SDG 3 (good health & well-being), and SDG 12 (responsible consumption and production). The exercise has allowed us to engage in broader discussions with our stakeholders to not just better understand our business and impact but to underscore our commitment to advancing crucial societal and environmental objectives outlined by the UN and demonstrate our proactive approach toward sustainability.

Moving forward, we are dedicated to further enhancing our contributions to the UN SDGs while continuously striving for innovation and improvement in our sustainability practices. This commitment reflects our steadfast belief in responsible corporate citizenship and our determination to create a positive impact on both local and global scales.



More than 70% of our product line revenues directly support UN SDGs 2, 3, and 12.


3 | Measuring Our Progress and Our 2030 Goals



Measuring Our Progress

3

Making the World a Healthier Place

PEOPLE	PLANET	PROFIT
 1.1B number of people reached per year ¹	 10.0B number of animals reached per year	 17.6% revenue from products developed in the past five years ²
 1.39 total recordable injury rate ("TRIR")	 5.0 GJ/ton energy intensity ³	 \$922.4M total revenue
	GHG emissions⁴: Scope 1 - 46,981 Scope 2 - 23,719 (location-based) 5,571 (market-based) Scope 3 ⁵ - 448,610	
 28.6% hourly employee turnover	 16.31 cubic meters ("CBM") water intensity ⁶	 \$230.9M adjusted EBITDA ⁷
10.7% salaried employee turnover	3.73M CBM total water withdrawn	
	0.08% water withdrawal from regions with high or extremely high baseline water stress	
 74.0% males 26.0% females employee diversity	 98.6% hazardous waste ⁸ reused or recycled	 \$108.5M GAAP net earnings
	71.0% hazardous material suppliers audited in the last three years	\$3.35 GAAP earnings per share
 82.7% R&D focused on health and nutrition	 100% of palm oil sourced and certified through the RSPO ⁹	 139.2% free cash flow conversion
	34.2% raw materials from renewable resources	
 100% manufacturing sites with local community engagement efforts	 0 product recalls	 33.9% 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.

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

2. Our revenue from products developed metric has been updated to reflect refined data availability in 2023.

3. GJ of energy per ton of product produced.

4. Greenhouse gas emissions in CO₂e metric tons ("MT").

5. Scope 3 emissions are calculated based on the following categories: purchased goods and services, fuel and energy related activities, business travel, and employee commuting.

6. CBM of water withdrawal per MT of product produced.

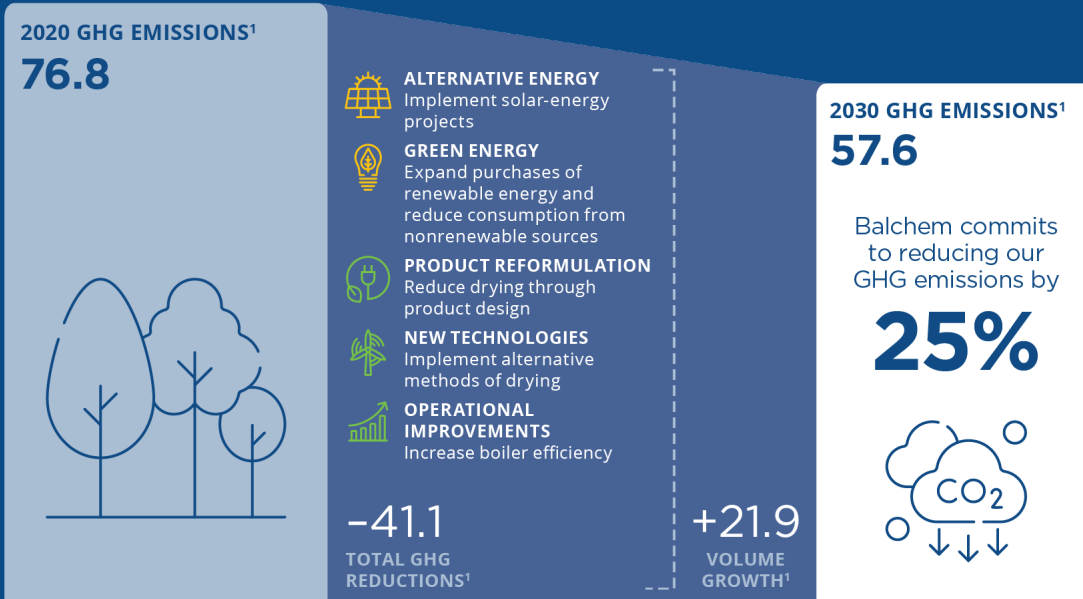
7. Adjusted EBITDA is defined as earnings before income taxes, interest, other expense, depreciation, amortization, expense related to a flash flood event, inventory valuation adjustments, transaction and integration costs, ERP implementation costs, unallocated legal fees, certain impairment charges, as well as add backs for the non-cash compensation expense related to equity awards, nonqualified deferred compensation plan expense, and restructuring costs.

8. Balchem defines hazardous materials as ethylene oxide, trimethylamine, hydrochloric acid, anhydrous ammonia, propylene oxide, and carbon disulfide.

9. Roundtable on Sustainable Palm Oil.

Our 2030 Goals

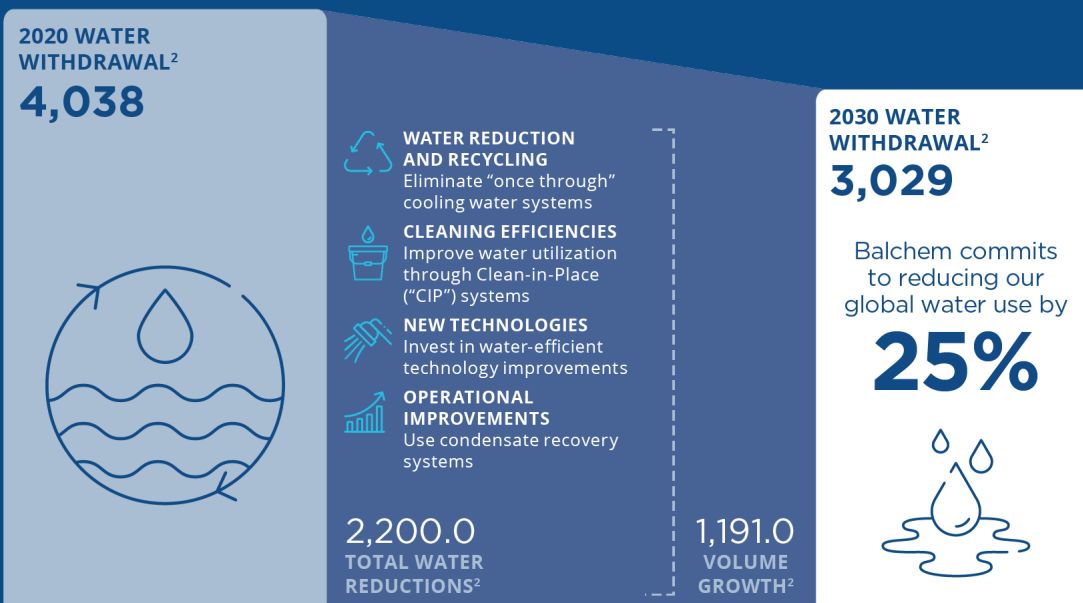
Emissions Reduction



TARGET MET

- Exceeded our 2030 Scope 1 and 2 GHG emissions reduction goal, with a 31.6% absolute reduction vs our 2020 baseline and a 6.6% year-over-year reduction.
- Procured renewable energy credits (“RECs”) that support wind farms and offset approximately 36,000 megawatt hours (“MWh”) of our electrical use.
- Completed capital improvement projects across several manufacturing plants to increase energy efficiency.
- Initial public disclosure to CDP Climate.

Water Conservation



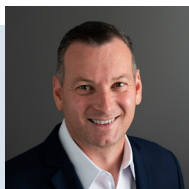
ON TRACK

- We believe that access to clean and abundant water is a fundamental human right.
- Our global water usage is down by 7.6% vs. our 2020 baseline and we are on track to achieve our 25% water usage reduction goal by 2030, or sooner.
- In 2023, our Bridgeton, MO facility installed water-saving seal pots and controls on pumps, saving over 2.4 million gallons of water annually.
- We recently committed resources for a capital project to significantly reduce water usage at one of our facilities identified to have the largest annual water withdrawal.

1. Includes Scope 1 and Scope 2 market-based GHG emissions. All GHG emissions values are measured in thousand MT of CO₂e.
2. All water withdrawal values are measured in thousand cubic meters (“CBM”) of water.

4 | People





“Maximizing health span, performance and living well starts with building the foundation today for a healthier tomorrow through proactive nutrition and self-care.”

— **Frederic Boned**, Senior Vice President and General Manager, Human Nutrition & Health

Human Nutrition & Health



Balchem HNH Provides Sustainable Solutions in Harmony with the UN SDGs for a Better Future

Balchem’s Human Nutrition & Health (“HNH”) business serves as a value-enhancing collaborator, offering an extensive portfolio, distinctive capabilities, and profound industry knowledge. Our diverse range of functional ingredients caters to various trending health segments, emphasizing the optimization of health span and performance. Leveraging patented technologies, scientific research, new business partnerships, acquisitions, and a consumer-trend-oriented pipeline, we are committed to innovating for the future. Over the past year, we have joined forces with customers and an expansive global network of researchers, encouraging their growth and inviting them to embark on the journey toward well-being alongside us.

Our HNH business strives to align closely with the UN SDGs, particularly SDG 2 (zero hunger), SDG 3 (good health and well-being), SDG 9 (industry, innovation, and infrastructure), and SDG 17 (partnerships for the goals). We actively contribute to fostering health, innovation, and partnerships while addressing hunger through our initiatives. In the following section, we highlight key HNH achievements during 2023 in advancing health for everyone.

Meta-Analysis: Ferrous Bisglycinate Outperforms Other Iron Salts with Higher Efficacy and Lower Side Effects in Pregnancy

A recent meta-analysis in *Nutrition Reviews*, a medical journal that publishes peer-reviewed articles on nutrition science, highlights the superior efficacy and lower rates of gastrointestinal adverse events of ferrous bisglycinate supplementation in pregnant women compared with other iron salts. Conducted by researchers from the University of British Columbia, the study, which included Albion® Minerals’ Ferrochel®, offers an opportunity for supplement manufacturers to innovate with highly effective iron forms. Iron deficiency is a global concern, affecting over 40% of women of childbearing age in certain

regions. The meta-analysis of 17 trials involving 1,100 participants revealed a 64% lower rate of adverse gastrointestinal events with ferrous bisglycinate. In fall 2023, Balchem initiated a new clinical trial in pregnant women with the goal of providing further insights into optimal iron forms for different life stages. Jonathan Bortz, MD, Vice President of Nutrition Science at Balchem, expressed confidence in the study’s findings, emphasizing the enhanced efficacy and tolerability of ferrous bisglycinate and anticipating additional evidence from upcoming trials. Ferrochel remains a flagship product in Balchem’s Albion Minerals portfolio, known for its optimal absorption and bioavailability for pregnant mothers and growing children. Balchem is proud that the research on ferrous bisglycinate aligns with SDG 3 by providing effective solutions that improve health outcomes in pregnant women and combat iron deficiency.



Balchem Sponsors the InterVitaminK Study, A Critical Milestone in Cardiovascular Benefits Research

K2VITAL Balchem is committed to supporting important research on Vitamin K2 and its health benefits. We are currently sponsoring the InterVitaminK trial. This study is detailed in *BMJ Open*, a public journal dedicated to publishing medical research, and represents a crucial step in exploring the connection between Vitamin K2 and heart health. Conducted as a randomized, double-blind, placebo-controlled study, the trial aims to determine whether three years of Vitamin K2 MK-7 supplementation can enhance cardiovascular, metabolic, and bone health in individuals aged 52–82 with detectable coronary artery calcification. With all 450 participants already enrolled, the trial could offer valuable insights into dietary recommendations for Vitamin K intake and potential impact on cardiovascular health. Balchem remains dedicated to supporting essential research in this domain and contributing to a broader clinical pipeline. The results of the study are anticipated to be published by the end of 2027.

The European Food Safety Authority Released an Authorized Health Claim for Choline Recognizing Its Role in Prenatal and Early Life Nutrition



The European Food Safety Authority (“EFSA”) has granted an authorized health claim for choline, underscoring the nutrient’s pivotal role in prenatal and early-life nutrition. Choline contributes to liver health by influencing cell membrane structure, cell signaling, and lipid and cholesterol metabolism and transport. EFSA’s approval acknowledges choline’s significance in normal liver function

for all age groups, including developing children and exclusively breastfed infants. The approved claim, “Maternal choline intake during pregnancy and lactation contributes to normal liver function of the fetus and exclusively breastfed infants,” highlights choline’s crucial role in supporting both maternal and infant health. This milestone was achieved through the health claim application submitted by Procter & Gamble BV. Rima Obeid, PhD, a member of Balchem’s Scientific Advisory Board and a choline expert involved in the application, expressed excitement about the recognition of choline’s importance and looks forward to further research on its positive impact on expectant and breastfeeding mothers and their children. Balchem, a leader in nutritional advancements, uses its VitaCholine® brand in various clinical trials, and the product was recognized as the 2022 Cognitive Function Ingredient of the Year. The EFSA-approved health claim adds to three other authorized claims related to metabolism and liver function. Balchem’s work with choline supports SDGs 2 and 3 by promoting better nutrition and health during critical life stages.

Kappa Solutions Achieves Success in International Organization for Standardization ISO 17025 Certification Audit



DOING IT RIGHT

Kappa Solutions, a vital component of Kappa Bioscience, proudly announced the successful outcome of its recent International Organization for Standardization (“ISO”) audit for ISO 17025 certification, focusing on testing and calibration laboratories. DIN EN ISO/IEC 17025 aims to promote confidence in the work of laboratories. The standard contains requirements for laboratories to demonstrate that they are competent and capable of producing valid results. This achievement

underscores Kappa Solutions’ dedication to providing the highest-quality services to valued clients and solidifies its competence in meeting the highest international standards. The ISO certification holds significance not only for Kappa Solutions but also for Balchem’s stakeholders, reaffirming our commitment to excellence.

Balchem Supports the ‘Future Directions in Choline’ Symposium

The “Future Directions in Choline” symposium, hosted by the University of North Carolina Nutrition Research Institute with funding support from Balchem and the North Carolina Biotechnology Center, marked a significant milestone in choline research. Bringing together 16 leading experts and nearly 80 attendees, the event focused on the progress made since choline’s recognition as an essential nutrient in 1998 and explored potential directions for the next 25 years. The symposium covered the relationship between choline and prenatal development, brain health, metabolic well-being in adults, and other topics. Researchers presented remarkable findings from landmark clinical trials, such as improved cognitive function in children with maternal VitaCholine supplementation. Discussion topics also included molecular-level insights into choline’s role in liver function and its impact on brain health as individuals age. The symposium concluded with group discussions outlining future directions and the importance of evidence-based awareness of choline’s essential role in health. The event showcased remarkable progress in choline nutrition over the past 25 years and set the stage for exciting developments in the next quarter-century. Balchem is proud that this symposium contributes to SDG 3, showcasing progress in choline nutrition and emphasizing evidence-based awareness for better health.



Balchem participating at the Future Directions in Choline symposium at UNC Nutrition Research Institute

People



Balchem Partners with the ANA



AMERICAN
NUTRITION
ASSOCIATION®

Balchem has joined forces with the ANA by becoming part of the ANA Nutrition Leaders Council. The NLC consists of carefully selected companies in the nutrition industry collaborating

with the ANA to elevate nutrition in healthcare and culture. Corinne Bush, CEO of ANA, expresses excitement about Balchem's support in promoting sound nutrition, emphasizing the company's notable status in championing social responsibility for a healthier world. Frederic Boned, Senior Vice President & General Manager of HNH at Balchem, anticipates the partnership will enhance consumer awareness of the health benefits associated with Balchem's minerals and nutrients portfolio. The collaboration aims to create evidence-based content to effectively communicate the partners' shared objective of contributing to a healthier world. Balchem's partnership with the ANA aligns with SDGs 3 and 17, fostering partnerships to enhance nutrition and contribute to global well-being.



Checking for Edema, a WHO Criteria for Severe Acute Malnutrition

Balchem Introduces Two Additions to the Z-Crisps® Product Line

Balchem has introduced two additions to its Z-Crisps product line: 70% Whey Crunch and 60% Pea Crisp Large. The 70% Whey Crunch is made exclusively from whey protein concentrate, offering a crunchy texture similar to the company's flagship whey crisp. On the other hand, the 60% Pea Crisp Large stands out with its 6- to 7-millimeter pea protein crisp, providing a unique textural and visual element. With a high pea protein content, it serves as a plant-based, high-protein option for health-conscious consumers. Both products cater to athletes, fitness enthusiasts, and those seeking satisfying protein bars. Balchem's Z-Crisps can be used as is or added to various products to enhance protein and texture, making them versatile for snacks, bars, cereals, and even toppings for ice cream and yogurt. Our Z-Crisps products contribute to SDG 3 by offering versatile, nutritious options that support good health and well-being.

Balchem Joins Forces to Fight Malnutrition in Malawi with the Building Better Brains Project

In further support of SDG 2, Balchem has partnered with the non-governmental organization Project Peanut Butter and Washington University to support a project in Malawi, Africa, to feed 2,600

children aged 6 months to 5 years old with moderate or severe acute malnutrition. The project is headed by Dr. Mark Manary, who is credited with introducing peanut butter fortified with vitamins and minerals into ready-to-use therapeutic foods ("RUTFs") more than 20 years ago to address the problem of poor-quality food aid being distributed by food aid agencies. RUTFs do not require cooking and will not spoil, and this has reduced the mortality rate by more than 50% with their use. United Nations Children's Fund delivers 80% of the world's RUTFs to children under age 5. The Building Better Brains project is also designed to determine whether including VitaCholine in the peanut butter sachet will improve cognition scores in these children as they are followed through three "hungry seasons" (three years) and hopefully reduce the progression from moderate to severe acute malnutrition. Dr. Manary has conducted more than 30 clinical trials in sub-Saharan Africa, and when introduced to Balchem in March 2022, he remarked, "I would like to do for choline, what I did for DHA. Our team was able to assemble data to show that DHA supplementation led to 'better cognition.' It was a tough road, but we persuaded Codex Alimentarius to approve DHA, and now it is required in every RUTF." Building Better Brains began enrolling children in December 2023 and will take place over a three-year period. We are excited about the results as this is the first study of its kind to determine if choline helps address SDG 2.



People



“We depend on animals for food and for companionship, and Balchem recognizes the impact uniquely tailored nutritional products have on improving health and productivity.”

— **Thomas Powell**, Director of Monogastrics, Animal Nutrition & Health

Animal Nutrition & Health



Our Animal Nutrition & Health (“ANH”) business is dedicated to further aligning our business with the UN SDGs, specifically focusing on SDG 2 (zero hunger) and SDG 12 (responsible consumption and production). We enhance the nutritional quality of our animal feed to help eradicate hunger, and we prioritize the development of innovative, nutritious feed solutions to promote the health and well-being of animals, working toward a healthier, more sustainable future.

Turning Less Into More

Our ANH team continues to focus on its mission of helping global agriculture meet the challenge of feeding an ever-growing population by developing and supplying technologies that reduce nutrient inputs, improve nutrient absorption, and reduce excretion. Our innovative and proprietary technologies expand the use of key required nutrients for animals, increasing the efficiency of growth and production, and improving health. These benefits lead to efficient overall use of nutrients while reducing the excretion of nutrients into the environment.

Benefiting Our Customers, Animals, and the Environment

As a leader in animal feed additive technologies, Balchem is driving the innovations that will change our future. We focus on continually improving our technology in ways that result in improved absorption of our additives by the animal, as well as increasing the amount of nutrient content delivered per unit of product. By achieving more with less, Balchem is dedicated to improving the profitability of our customers, enhancing the performance and health of the animals consuming our products, and minimizing our environmental footprint.

Creating product innovations based on superior nutrient delivery systems and highly concentrated products, Balchem effectively meets animals’ nutritional requirements at lower feeding rates. This not only minimizes nutritional waste expelled into the environment but also enables our customers to cut down on transportation costs by providing more product per shipment and reducing the frequency of total product deliveries. This is a win-win for our customers, the animals we support, and the environment.

Our choline, encapsulated products, and chelated organic trace minerals are designed to deliver nutrients with precision and efficiency to meet the animal’s nutritional needs for maximum performance while decreasing input requirements and reducing animal waste.

By providing animals the necessary levels of choline, amino acids, and chelated organic trace minerals, they attain a natural state of wellness and vitality that enables them to fully express their genetic and biological potential. Healthy animals are more efficient, since they require less feed and generate less waste. Additionally, healthy animals are less likely to require antibiotics, which contributes to the prevention of antibiotic resistance in humans.

We are excited to continue our expansion of products designed to improve gut health in animals. Our current product line includes Fibrase®, Tannin 50®, and ProAcid®, all of which aim to foster a healthy environment for the gut microbiome, which in turn can improve feed efficiency and maximize productivity. Efficiency, defined as “achieving more with less,” is beneficial not only for our global food animal producers but also for the environment.

Balchem’s commitment to driving innovation in animal feed additives reflects our dedication to sustainable practices and responsible business operations. By continuously improving efficiency and minimizing environmental impact, we aim to support customer profitability while promoting animal health and well-being. With our efforts aligned with SDGs 2 and 12, we are steadfast in our pursuit of a more sustainable and prosperous future for all.



People



Supporting the Industry: A Commitment to Health and Sustainability

At the core of Balchem's ANH business lies a dual commitment — fostering a healthier world and serving the communities that rely on our industry-leading products. We accomplish this through science-based solutions that address the challenge of sustainably feeding a growing global population.

Balchem's PetShure® team hosted its second Imaginarium educational event in collaboration with Auburn University. This groundbreaking program continues to unite pet-nutrition scientists, product developers, protein converters, and university researchers. Together, they are working on innovative ways to upcycle low-value protein with PetShure products, turning it into high-value pet foods. Representatives from leading pet food manufacturers seized the opportunity to connect with protein suppliers and technology experts, unlocking the potential of overlooked protein sources.

Balchem's Global Impact: Science, Education, and Sustainability

Balchem remains at the forefront of disseminating innovative scientific knowledge

to the animal agriculture community. Since our "Real Science Lecture Series" and "Real Science Exchange" podcast launched in 2020, they have collectively reached over 200,000 downloads. As we continue to enhance our educational efforts, we have expanded our efforts to include in-person symposiums and scientific meetings held across the globe.

As part of our unwavering commitment to environmental sustainability, Balchem has committed \$100,000 to Cornell University's Sustainable Animal Agriculture Discretionary Fund. This fund is aimed at diminishing global enteric and manure methane emissions from cattle production, while simultaneously improving cattle productivity. Recently, the center completed the construction of an exclusive animal respiration chamber system to study energetics and gas exchange in cattle as a means to enhance lactation efficiency and reduce GHG production from the dairy production system. Members of our ANH team will attend the ribbon-cutting ceremony to recognize Balchem's support of the continued research efforts over sustainability by Cornell University. By mitigating climate change and supporting human health and animal well-being, we continue to play a role in fostering a healthier planet for everyone.

Developing Knowledge and Understanding Balchem's Impact By the Numbers

INDUSTRY INFLUENCERS IMPACTED:

94
Educational seminars
Nearly 76.2k views (both live and recorded)

98
Podcasts
110k listens

29k
Contacts Reached weekly



CONSUMERS AND INDUSTRY ADVOCATES IMPACTED:

76.7k
Real Faces of Dairy followers

5k
Photos uploaded per year



Balchem Real Science Exchange podcast recording at the American Dairy Science Association



PetShure's Imaginarium educational event at Auburn University

People



“Specialty Products, consisting of Balchem’s Plant Nutrition and Performance Gases businesses, delivers essential solutions to make the world a healthier place.”

— **Job van Gunsteren**, Senior Vice President and General Manager, Specialty Products

Specialty Products



SUSTAINABLE
DEVELOPMENT
GOALS

Our commitment to UN SDGs 2 and 3 in our Specialty Products businesses underscores our integrated approach to sustainable practices in medical and agricultural sectors for a greener future. Our Performance Gases business specializes in responsibly distributing gases such as ethylene oxide (“EO”) for medical-device sterilization and propylene oxide (“PO”) for spice and nutmeat applications. Complementing this, our Plant Nutrition business globally provides chelated minerals, incorporating amino acid chelate technology to enhance crop yield and quality through efficient foliar application spray methods.

Plant Nutrition

Sustainable Chelated Materials

Our Plant Nutrition business provides Metalosate®-brand chelated minerals to the global agricultural market. The amino acid chelate technology in our Metalosate products allows targeted delivery of micronutrient minerals to crops using highly efficient foliar application

spray methods. As a result, farmers and growers raise healthier crops that demonstrate increased resilience to disease and pests, yielding larger harvests. This leads to the production of healthier food for the consumer, featuring an extended shelf life for products transported over long distances. Over 90% of Metalosate penetrates leaves, reducing the residual product on the surface of the leaf that can be accidentally rinsed into the soil and subsequently the water table.

Additionally, our chelated minerals and biostimulants have the potential to reduce the amount of agrochemicals that are applied to plants. Our line of USDA organic-compliant chelated minerals are simple formulations that are created to be shelf-stable without the need for fillers and functional additives.

Increasing Shelf Life of Crops to Reduce Food Waste

Fruits and vegetables can spoil during any part of storage or transport from farm to consumer. Some of our Metalosate products have the potential to extend the shelf life of fruits and vegetables, reducing the amount of spoilage. Metalosate Calcium, for instance, has proved to significantly extend the shelf life of apples when used in post-harvest application. Providing shelf-life-extending solutions to growers and retailers means reducing waste and providing healthier food to end consumers.



Realizing Higher Crop Yields

Our team of agronomists has researched foliar fertilizers and their effects on hundreds of crops in various climates and environments. The research shows that Metalosate, used appropriately, can deliver greater crop yields per acre for grains, fruits, vegetables, and nuts. For example, Metalosate Zinc can boost the number of grains per ear of corn. For example, the use of Metalosate Zinc on corn can boost the number of grains per ear.

Creating Hardier Plants

All Metalosate products contain amino acids, which act as a barrier against abiotic and biotic stress, including drought, excessive heat, and pest pressure. Stress of any kind limits the growth of plants. Amino acids can help these plants endure stress and reach their full growth potential.

Plants require 16 key nutrients to maintain balanced health. Applying Metalosate Amino Acid Chelates to plants allows more minerals to penetrate the protective barriers. The result is hardier plants that are more resistant to outside stress due to balanced nutrition.

Our Plant Nutrition products enhance plant resilience, extend crop shelf life, and boost crop yields to support SDG 2, which aims to end hunger, achieve food security and improved nutrition, and promote sustainable agriculture.

Performance Gases

Our Performance Gases business specializes in the repackaging and worldwide distribution of performance gases for use in the sterilization of medical devices, fumigation of nuts and spices, refrigeration, metal hardening, and other industrial applications. Our unique combination of products, packaging, and logistical expertise — coupled with our strong focus on safety, quality, and consistent, on-time delivery — provides our customers with the solutions they need.

Ensuring Safe and Sterile Medical Devices for Healthcare Providers

Medical-device sterilization is critical to patient care, and Balchem Performance Gases delivers key, repackaged gas solutions for the effective sterilization of medical devices that are essential to saving lives. A significant number of medical devices, including surgical kits, rely on EO sterilization due to its ability to sterilize devices made of a wide variety of materials without compromising device performance. These characteristics allow device manufacturers the flexibility to develop complex and novel medical devices using the materials necessary to achieve their required function. Device manufacturers depend on EO sterilization due to its ability to penetrate through packaging and into multiple pallet loads of medical devices, where it can effectively sterilize all surfaces of the devices at commercial scale.

Due to our involvement supplying EO for use in medical device sterilization, we are confident that we can make a difference in SDG 3, focused on supporting healthy lives and promoting well-being.



Verona, Missouri site

Providing Safe Nuts and Spices Through Pasteurization and Fumigation

Products such as nuts and spices are naturally susceptible to microbial contamination due to the way they are cultivated. Microbial reduction during the processing of these products is key to ensuring safety for downstream use and consumption while avoiding spoilage, thus ensuring people have access to safe and nutritious food. In the US, Balchem Performance Gases provides PO, which is the only method that provides reliable microbial reduction and elimination of insects with minimal effect on the sensory qualities of the commodity. Through products that reduce bacteria and make spices and nuts safe for consumption, we can make an impact on SDG 2, which pertains to the creation of a sustainable food system capable of feeding a growing population.

Sustainable Handling of Waste Gases

Handling waste gases and chemicals is a job for authorized companies that possess the know-how to do so. Balchem Performance Gases is licensed for the treatment of waste gases in the European Union and has the capacity to treat a diverse range of waste gases. Balchem inventories, packages, transports, and recycles hazardous waste in accordance with the appropriate guidelines and regulations. This allows us to continue to strengthen our partnerships with external waste treatment outlets to responsibly handle other waste gases in an environmentally friendly manner. Moreover, certain gases can even be regenerated, giving customers the opportunity to reuse them. For instance, we consolidate reclaimed cooling gases within drums, subsequently directing them to an outlet equipped for regenerating these materials.

Supply of Essential Products for the Renewable Energy Industry

Balchem Performance Gases provides crucial components for the production of solar panels, LED lights, and similar products. This contributes to the increased production of sustainable energy and helps reduce overall electricity consumption.

People



“Safety is the foundation of our product quality, and we continuously strive to go above and beyond.”

— Helen King, Vice President, Quality

Product Quality and Safety



Balchem is committed to supplying the highest-quality products to our customers and their end-market consumers. We strive to consistently bring satisfaction to our customers through the products we create, prioritizing both product safety and quality. Employing a rigorous supplier approval program, we meticulously evaluate and endorse materials that align with our production processes and meet the needs of our valued consumers. Because of this, Balchem’s Quality Management Systems (“QMS”) are designed to be effective in each of our product areas.

In HNH, we ensure the food safety and quality of products used as dietary ingredients. We are certified through Safe Quality Food, a globally recognized program ensuring robust food safety and quality management systems and food safety system certifications, as well as by the National Sanitation Foundation, American National Standards Institute, and ISO 9001, where appropriate.

At our ANH manufacturing sites, our feed safety and quality management systems are certified through Feed Additive and preMixture System, a global quality and feed safety management system for Specialty Feed Ingredients and the Safe Feed/Safe Food program. These certifications ensure compliance with stringent global standards and emphasize risk prevention throughout the feed supply chain. Additionally, we adhere to the globally recognized Food Safety System Certification standard as needed.

Our Specialty Products sites are independently certified through various ISO standards. We have obtained ISO 9001:2015 Quality management systems certification, demonstrating the ability to consistently provide products and services that meet customer and regulatory requirements. Our ISO 13485 Medical Devices certifications guarantees our ability to meet the requirements of customers who serve that sector. Balchem’s environmental responsibility is emphasized by our ISO 14001 Environmental management systems certification, showcasing our dedication to



Albert Lea, Minnesota Quality Lab

sustainable practices. Finally, our ISO 45001 Safety management systems certification underscores our commitment to a safe and healthy working environment. Collectively, these certifications affirm our dedication to delivering products and services that surpass industry standards, assuring our customers of the highest levels of safety, quality, and efficiency.

People

As we strive for continuous improvement, we monitor key performance metrics as indicators of system health, and rely upon external independent assessments of our QMSs. Improvements in First Pass Quality, reduced holds, and a decrease in customer complaints have yielded more than \$3 million in savings, with fewer products disposed of across the network and an overall disposal rate of less than 0.5% of the cost of goods manufactured.

In 2023, we saw the benefits of our newly implemented Laboratory Information Management System, which will better support data review and statistical trending in real time. We track corrective and preventive action, customer complaints, and supplier non-conformance in our enterprise resource planning system, which allows improved tracking and trending of this important data.

Building on the framework of these systems and tools, our quality team is staffed with highly skilled and experienced professionals who are focused on continuous improvement, compliance, and the safety of our customers. We leverage the expertise of our skilled professionals experienced in various regulatory landscapes, such as food, dietary supplements, and pharmaceuticals. This enables us to identify efficiencies and promote best-in-class practices throughout our QMS. Our reputation and the sustainability of our business are built on this foundation, which will carry us toward continued future growth.

We provide the Board of Directors with regular updates on product safety issue. We also periodically review our product recall process. Our manufacturing sites conduct annual mock recalls and traceability exercises as required by our recall process. Balchem has also established guidelines for good manufacturing practices (“GMP”). Comprehensive product safety audits, including GMP audits, are consistently carried out at all of our food ingredient manufacturing facilities. Furthermore, all food ingredient manufacturing plants have implemented food defense plans, and an environmental monitoring program is in place to screen our manufacturing facilities, equipment, and personnel for contamination. In 2023, we had no product recalls.

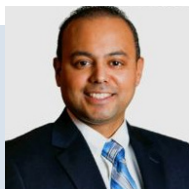


Marshfield, Minnesota Quality Lab



In 2023, we had no product recalls.

People



“Sustainable sourcing is about ensuring that materials and goods are sourced in a way that respects human rights, promotes fair labor practices, and minimizes environmental impact.”

— **Shail Shah**, Director of Sourcing, Direct Material

Raw Materials Suppliers



After several years of disruptions stemming from various global events, the supply chain continued to be impacted by global geopolitical instability in 2023. These events emphasize the need for a resilient and sustainable supply chain. Close monitoring, ongoing interaction, and a thorough evaluation of our raw material suppliers are critical for success in managing today’s turbulent markets. The foundation of our supplier quality review and audit program, along with our commitment to the requirements outlined in our [Supplier Code of Conduct](#) (“Supplier Code”), has allowed us to continue to expand our supply chain using best practices.

In addition to the Supplier Code, Balchem maintains a comprehensive approval program for raw material quality sourcing, encompassing an evaluation of the supplier’s quality program, the material being supplied, and verification of the supplier’s measures against food safety risks. In the food safety evaluation process, we consider production methods, distribution channels, and the intended use of the product.

We require all of our raw material suppliers to endorse our Supplier Code, provide confirmation, or demonstrate their commitment by

adhering to company policies that align with the standards outlined in our code. Balchem’s Supplier Code mandates suppliers to protect human rights by ensuring healthy labor conditions, fair treatment for employees and contractors, and competitive compensation standards. It is closely linked to and aligned with Balchem’s Code of Business Conduct and Ethics (the “Code”). These standards are derived from the OECD Guidelines for Multinational Enterprises and the eight fundamental conventions defined by the International Labour Organization. We believe that working with suppliers who share our commitment to human rights strengthens our supply chain.



To enable us to continue to meet our internal goals and collaborate with suppliers, Balchem will start to build a broader compliance program which will include audits of our supply base with the support of external auditors. These audits will focus on supplier facilities, verifying that their practices in labor management, environmental controls, emissions reduction, carbon footprint, waste and water management, and other areas, not only meet our current expectations but are also subject to continuous improvement and ongoing review.



People

In 2023, we furthered our commitment of transparency to suppliers and customers by disclosing our practices to EcoVadis, a sustainability-rating agency. EcoVadis evaluates companies' environmental and social performance using a comprehensive framework covering 21 sustainability indicators across four themes: Environment, Labor & Human Rights, Ethics, and Sustainable Procurement. The EcoVadis methodology is based on international sustainability standards including the Global Reporting Initiative, the UN Global Compact, and ISO 26000 standards.

Balchem was awarded a bronze medal in the 2023 EcoVadis CSR assessment, positioning us in the top 47% of all suppliers in our sector worldwide. Our complete EcoVadis sustainability profile can be accessed on the EcoVadis website. While acknowledging our accomplishments thus far, we will not rest on our laurels. Our goal is to elevate our engagement and expectations of our supply base to a higher level in the upcoming years.



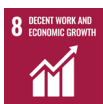
People



“Balchem is committed to a diverse and inclusive culture where everyone feels welcomed, valued, and appreciated.”

— Brent Tignor, Senior Vice President and Chief Human Resources Officer

Human Capital



SUSTAINABLE
DEVELOPMENT
GOALS

Building a Premier Global Workforce

A fundamental element of our corporate strategy is to nurture a diverse and high-performing workforce. At Balchem, we contribute to the success of current and future employees by fostering a culture that embraces diversity and inclusivity, promoting professional development, and enhancing employee engagement. Our motivation stems from the collective capabilities of our dedicated workforce, acknowledging that their hard work, talent, and commitment are

Albert Lea, Minnesota Site

the driving forces behind our exceptional results for our various stakeholders. To support this, we provide a workplace that cultivates a collaborative, supportive, and inclusive environment where everyone feels welcomed, accepted, and empowered to excel.

We firmly believe that with the right tools, our employees can achieve anything. Ongoing professional development of our workforce plays a crucial role in fostering their success, both in business and in life.

This sustained focus ensures that our employees can make meaningful contributions to our colleagues, our customers, and the organization as a whole. Our training initiatives are facilitated through online platforms such as eCornell and LinkedIn Learning. In addition to providing job-specific technical knowledge and regulatory requirements, our initiatives and online learning platforms offer



People



training on company policies, including [Balchem's Code of Business Conduct and Ethics](#), anti-harassment and discrimination policies, guidelines on foreign corrupt practices, antitrust regulations, and various other compliance topics. The benefits of digitalized training were evident in 2023. For example, over 16,700 LinkedIn Learning modules were completed with an average of 3.5 hours of professional development per learner.

Additionally, our employees enjoy access to a variety of benefits aimed at promoting a healthy lifestyle, including discounts available through our Wellness Center. We also provide resources for debt, legal, and financial counseling to support our employees in various aspects of their lives. Through a range of online services and courses, our employees have the flexibility to select personalized learning paths, allowing them to work toward their educational, financial, and overall well-being goals for the future.

Continuously Improving Leadership Opportunities

In 2023, Balchem took significant steps to ensure the development of its future leaders by expanding the offerings in its leadership programs through eCornell. Our partnership with eCornell plays a crucial role in advancing our leadership development initiatives by providing courses led by experts in the field. As part of this initiative, all employees at director level and above had the opportunity to attend Counteracting Unconscious Bias and Fostering an Inclusive Climate training through eCornell's Diversity, Equity, and Inclusion Certification Program. The platform also facilitates the delivery of senior leadership certificates focused on technology, innovation, and project management to our future leaders.

We also hosted regional leadership competency training in collaboration with Performex, an organization that provides individualized leadership training and coaching over a six-month period. This strategic investment in our leaders is expected to significantly enhance our organization's capacity to meet both cultural and corporate financial objectives.

Providing Quality Education for Our Employees and Their Families

Our commitment to education and outreach goes beyond the boundaries of Balchem, extending to the broader community. This includes active engagement with local schools to showcase diverse career opportunities and collaboration with local industry councils to share best practices in human capital management within our industry. We go the extra mile by offering financial support for employees pursuing degree programs.

Additionally, we contribute annually to the education of our employees' children through the Balchem Sons and Daughters Scholarship Program. This initiative reflects our dedication to

fostering educational opportunities not only for our workforce but also for the next generation in the Balchem community.

Managing Our Ever-Evolving Workforce Demands

Balchem places a significant emphasis on workforce planning to ensure that our current and future workforce aligns with organizational requirements. Acknowledging the dynamic nature of our global workforce, we understand the importance of proactive measures in meeting the evolving needs of our businesses. Our continuous efforts involve assessing the required workforce type, addressing talent gaps, and developing sourcing strategies. Workforce planning is seamlessly integrated into our overall business planning process, underscoring our commitment to strategic alignment and organizational success.

While Balchem has achieved notable milestones, these accomplishments represent just a fraction of our numerous efforts to continually enhance employee engagement, foster a sense of belonging, elevate performance, and facilitate leadership development. We firmly believe that providing all employees with cutting-edge human resources technology and operations, developing strategic capabilities, and creating an optimal work environment are the key differentiators in their ability to make meaningful contributions and realize their full potential.

Recognizing Employees Who Go Above and Beyond



We believe in creating a workplace based on excellence, and we have taken a significant step in recognizing outstanding contributions by creating the Balchem Excellence Awards. This program empowers managers and peers to nominate employees or teams who have demonstrated excellence in alignment with Balchem's core values. More than 100 employees were nominated by the end of 2023, and recognition committees have been assembled to select a winner from each value category. The winners are formally acknowledged during our company-wide town hall meetings and receive a monetary award as a token of appreciation for their exceptional efforts.

People



Supporting the Evolution of the Way We Work

We uphold our employees' well-being by creating an environment that values work-life balance and trusting them to maintain equilibrium between personal and business life. For example, our hybrid work model allows for both in-person collaboration and the flexibility of remote work. A distinctive feature at Balchem is the designation of Fridays as a work-from-home day, condensing in-office collaboration to four days a week. Over the course of a full year, employees may work from home for up to 40 days of their choice.

Valuing Diversity and Inclusion at Balchem

Diversity is a catalyst for innovation and operational excellence at Balchem, inspiring our talented global team to work tirelessly toward making a positive impact on the world. Our commitment to building a culture in which employees find fulfillment in their work and take pride in their contributions remains steadfast. We are proud to have a robust [Diversity and Inclusion policy](#) that fosters an environment of equity and respect. Our policy outlines specific initiatives for recruitment, training, and advancement, ensuring equal opportunities for all. For more details, please visit our website.

In 2023, we observed a steady leveling of our global workforce, reaching 1,302 employees, accompanied by positive shifts in our demographic makeup. From 2016 to the end of 2023, our percentage of female employees grew from 21.8% to 26.0%, and our ethnic diversity increased from 19.6% to 26.9%. This consistent incremental growth is promising, and we aim to sustain this positive trend in the years ahead. Female representation in leadership roles has experienced a remarkable 39.6% increase over the past seven years. Additionally, our commitment to gender diversity is reflected in the increase of female representation on our Board of Directors to 37.5% in 2023.

We're thrilled to be recognized as a "Top Diversity Employer" from Circa, a premier job board supporting underrepresented groups. This achievement underscores our steadfast commitment to cultivating a diverse and inclusive workplace environment. We firmly believe that diversity is paramount for fostering innovation and achieving success, and we remain dedicated to creating a culture where everyone is welcomed, valued, and respected.



The branding of our diversity, inclusion, and belonging ("DIB") efforts as "Belonging at Balchem" has significantly influenced the fabric of our company.

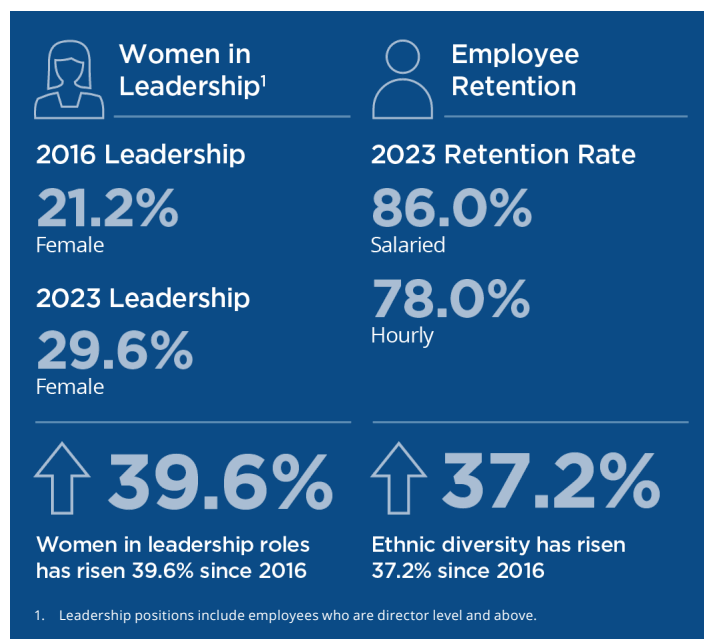
Moreover, our Chairman, President and Chief Executive Officer's unwavering commitment to the CEO Action Pledge, which aims to advance diversity and inclusion in the workplace, continues to set a clear tone at the highest levels of our organization. This commitment underscores our dedication to fostering an environment in which every individual feels a sense of belonging at Balchem.

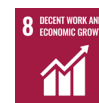
In 2023, we successfully delivered 22 external and internal communications under the "Belonging at Balchem" banner to educate and inspire in the marketplace. Additionally, all employees at director level and above participated in eCornell's Diversity, Equity, and Inclusion Certificate Program, getting either unconscious bias training or guidance on how to build an inclusive environment, further emphasizing our commitment to fostering diversity and inclusion at all levels of our organization.

Balchem's talent management process, DIB strategy, and total reward offerings are strategically designed to attract, develop, and retain a world-class and highly skilled workforce capable of driving our growth initiatives. In fiscal year 2023, inclusion goals continued to be a formal component of our performance expectations. Managers received performance feedback on their efforts to foster an inclusive climate within their respective teams, emphasizing the importance of awareness and accountability.

Aligned with a formal succession planning and talent review process, Balchem's annual review process aims to identify and develop the next generation of leaders. The outcomes of our performance evaluations, talent assessments, and succession planning practices undergo an annual review by Balchem's leadership team and the Board, ensuring a comprehensive and strategic approach to talent management and organizational development.

Balchem also supports employee-led resource groups in which employees with similar backgrounds and interests can find peer support, receive mentorship from senior members, and develop their careers. The Balchem Women's Impact Network ("BWIN") offers a platform for all women at Balchem to feel empowered and have an





Established: 2018

Vision: To inspire the women of Balchem to capture their full potential

Mission: Build a platform that informs, develops, and empowers us all to thrive, both personally and professionally

Current Membership: 266 people



Defiance, OH site

opportunity to thrive both professionally and personally. BWIN meets regularly and discusses a wide array of topics addressing leadership, business success, and networking.

Human Rights

Human rights are fundamental rights that belong to every individual, irrespective of factors such as race, sex, nationality, ethnicity, language, religion, or any other status. Balchem recognizes the imperative to advocate for, safeguard, and uphold internationally recognized human rights principles. This commitment aligns with documents such as the UN Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights. Balchem is dedicated to promoting and protecting the rights of women and minorities in accordance with these principles. We take pride in our robust commitment to human rights, exemplified by our comprehensive [Human Rights policy](#) that outlines our dedication to upholding the fundamental rights and dignity of all individuals. This policy serves as a guiding framework, ensuring that every aspect of our operations and interactions reflects our unwavering commitment to human rights principles.

In addition, Balchem is committed to cultivating a workplace culture that prioritizes the physical, mental, and social well-being of its employees. This commitment is evident in our open-door work environment, which encourages transparent communication, feedback, and discussions on human rights, employee well-being, and other matters. In this environment, every manager's door is open to every employee, fostering a culture of accessibility in which employees are free to engage with any manager at any time.

Central to Balchem's approach is the promotion of a respectful workplace culture, maintaining an environment free from discriminatory harassment, including sexual harassment and bullying. Our global HR policies comprehensively outline employees' responsibilities, establish guidelines for appropriate workplace behaviors, and provide procedures and practices governing the

Empowering Women in the STEM Professions




The International Day of Women and Girls in Science, observed globally each February, was established by the United Nations General Assembly in 2015. It was created in support of SDGs 4 (quality education) and 5 (gender equality). The theme of this year's celebration is "Women and girls in science leadership: A new era for sustainability," and the subtheme is "Think science ... think peace."

The BWIN team recognizes the importance of this year's theme and salutes the many women whose daily achievements and leadership in science, technology, engineering, and math ("STEM") roles contribute to Balchem's success. At the end of 2023, we launched a new STEM-focused committee — Women in Science and Engineering (BWIN WiSE) — to empower women in these roles to collaborate and attend STEM-themed events and activities.



workplace. These policies and procedures cover diverse topics, including diversity, equity, and inclusion (DEI); equal opportunity, disability, and reasonable accommodations; substance-free environment; time off from work; performance management; career opportunities; emergency conditions; corrective action; complaint procedures; policy violation reporting; and a benefits summary.

People



Balchem Sons and Daughters Scholarship Program

Since the program's inception in 2005, Balchem has proudly awarded \$198k in scholarships to children of employees to help them achieve their educational goals. In 2023, we awarded 10 scholarships totaling \$20k.

\$198k in scholarships awarded since 2005	\$20k in scholarships awarded in 2023
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Pre-shift meeting at the Lincoln, Nebraska site

Our commitment to the well-being of our employees is seamlessly woven into our workplace policies and practices, aligning with our long-standing dedication to the communities we serve. Balchem adheres to all laws and regulations and actively strives to uphold and respect human rights in all aspects of our operations.

Balchem also offers various channels through which employees can express concerns in a safe and secure environment, ensuring protection against retaliation. Employees can raise issues through Human Resources, designated compliance officers, and our hotline. Balchem's hotline, operated by an independent third-party vendor, is accessible 24/7 via phone or online so that employees, suppliers, customers, and other stakeholders can report human rights or other concerns with the option of remaining anonymous. Concerns can also be reported directly to the company.

Balchem supports freedom of association and collective bargaining. Work councils and collective bargaining agreements are in place in some of our international locations. The responsibility for safeguarding labor rights lies with Balchem's Human Resources and Compliance departments, which ensure that no restrictions are imposed on employees' rights under any legislation, whether federal, state, or local. Balchem conducts thorough investigations into anonymous complaints to the best of its ability. Employees are encouraged to freely discuss their wages, hours, and other working conditions.

Furthermore, Balchem recognizes the value of allowing groups of employees with common interests to formalize their professional relationships by creating employee resource groups. This approach demonstrates our commitment to fostering an inclusive and collaborative work environment.

Defiance, Ohio site



People



2022–2023 Gender Diversity Comparison



Employee Diversity—Gender



Employee Diversity—Salaried



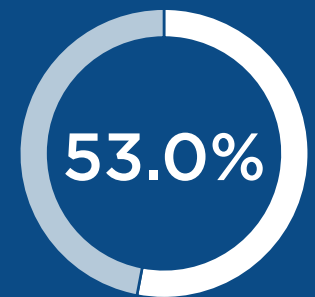
New Hires



Leadership Positions¹



Board Positions



53.0% of our company is female, excluding supply chain and operations.

1. Leadership positions include employees who are at director level and above.

People



“Our focus on Environmental Health and Safety is not just a job; it is a reflection of our compassion for the world and the people in it.”

— Martin Reid, Senior Vice President and Chief Supply Chain Officer

Environmental, Health, Safety & Security



Our workforce is our most valuable asset, and we prioritize our employees' health and safety at work above all else. We are proud of consistently improving our Environmental, Health, and Safety programs, seeing them as crucial to our economic well-being and core values. We encourage every employee to actively participate and contribute to this philosophy. Balchem's commitments to Environment, Health, Safety & Security (“EHS&S”) are further detailed in Balchem's [EHS&S Policy](#), which is approved by the Chairman, President and Chief Executive Officer.

Furthermore, it is crucial to ensure the safety of our employees, contractors, customers, and the communities where we operate by targeting year-over-year improvements. Key performance indicators and statistics are important for measuring our programs and driving progress. We have a responsibility to maintain all aspects of our EHS&S program at the highest possible level of effectiveness.

Our leadership team has laid a strong foundation, driving Balchem to perform at a high level on safety. Our Global EHS&S team oversees safety and compliance matters at all of our facilities and provides regular communications on EHS&S topics, metrics, and events through biweekly meetings with all employees. These meetings allow us to report and consult regularly to our internal stakeholders. The trainings and lessons learned cascade down to all employees, resulting in EHS&S awareness and actions throughout the organization. The Global EHS&S Director reports directly to our Chief Supply Chain Officer and provides progress reports to our EHS&S Steering Committee. This committee includes our Chairman, President and Chief Executive Officer and other members of senior management, thus representing most functions within our global organization.

How We Performed

Protecting the workplace environment and the health and safety of our employees, contractors, visitors, and neighbors is our top priority. Our total recordable injury rate (“TRIR”), defined as recordable injuries per 200,000 hours worked, was 1.39 and 1.17 in 2023 and 2022, respectively. Our lost time injury rate (“LTIR”) was 0.29 and 0.21 in 2023 and 2022, respectively. The injuries were primarily the result of manual material-handling factors. In response, we are adjusting our 2024 EHS&S management system to include an even greater emphasis on hazard identification/correction and cultural/behavioral aspects of personal safety. In addition, we continually upgrade our facilities to reduce health and safety risks and establish procedures with appropriate personnel protection for the safety of our employees.



Employees conducting a STAR Observation at the Sleepy Eye, Minnesota site

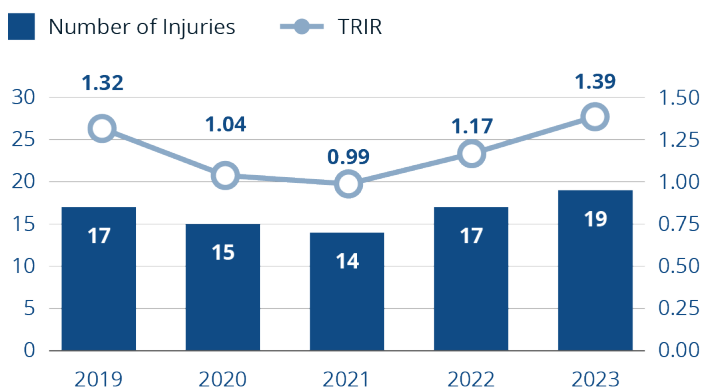
Employee Safety Is Valued and Embedded in Our Culture

EHS&S is central to our company’s core values of “playing to win” and being one of most successful nutrition companies on the planet. More than that, EHS&S must be embedded in the company culture. Safety is the first thing we think about in everything we do. We want our employees to return home to their families safe and healthy. Therefore, Balchem’s passion for protecting our employees cannot be overstated.

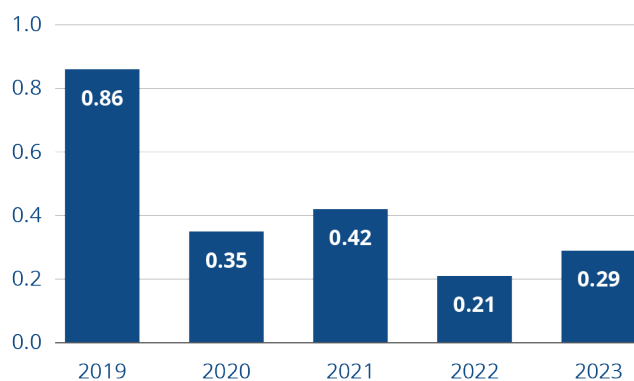
Here’s how we progressed in 2023:

- Critical-to-life (“CTL”): We continue to focus on minimizing overall CTL risks across the organization, thereby reducing our serious injury/fatality exposures. Our CTL efforts started in 2021, and in 2023, we expanded them by rolling out new standards for confined space entry and elevated work. This is only the beginning. Additional technical and process standards will follow as our EHS&S management system is further developed.
 - Engagement on the floor: Continually engaging employees in safety is key to our future success. Management does this nearly every day of the week through our GEMBA Walks and STAR Observation initiatives, documenting these engagements in our IndustrySafe, Balchem’s Incident Management System database. In 2023, we recorded our highest number ever for both engagement activities. In 2024, we plan to overhaul this system by improving the quality of engagements, analyzing the results, and applying the insights gained.
 - EHS&S management system: Balchem developed and updated several technical standards in 2023, including standards around personal protective equipment, respiratory protection, elevated work, portable ladders, and confined space entry. In 2024, we will continue to upgrade our EHS&S standards and raise the bar to ensure employees are protected from hazards.
- In March 2023, our EHS&S team updated and trained employees on our Hazard Communication and a new Chemical Screening Process. This process evaluates all new and existing chemicals and materials for EHS&S related compliance and concerns. Based on the assessment, the EHS&S team may open up discussion for an alternative or provide additional precautions to reduce the risk to employees and the environment, while maintaining compliance. Since the release of the new process, 90 Chemicals Screening Packages have been completed and training completion stands at 89% (975 out of 1,101). In addition, two initiatives were launched to improve management of both our Balchem Finished Product and chemical and raw material Safety Data Sheets (“SDSs”):
 1. We are approximately 90% complete in updating Balchem’s SDSs in a new format with translated languages.
 2. We are cleaning up chemicals and raw materials in Sphera, our database used to manage SDSs and report on chemical data, to ensure our employees can trust that the SDS they are searching for will be updated and available.
 - We continued to strengthen our Contractor Safety Program through our partnership with ISNetwork, our Contractor Management System. In 2023, we updated our corporate standard and associated documents, and training of both contractors and their host. In 2023, the Corporate EHS&S Team worked with all US facilities to improve site-specific training, written evaluations, and forms and acknowledgments. Completion of required training and documentation is now electronically tracked for each contractor, which helps ensure they have an understanding of site hazards and expectations while working at a Balchem facility. In 2024, we have initiated the subcontractor tracking and will look at expanding globally.

Total Recordable Injury Rate (“TRIR”)



Lost Time Injury Rate (“LTIR”)



Our Path Forward

Continue upgrading our CTL standards and daily safety activities. Reducing the risk of serious injury and fatality is critical to our success, as we want to send our employees home safely. We are approximately 80% complete in our journey to fully implementing CTLs. We are also reassessing our daily safety activities to improve our use of data so that we can conduct site-targeted safety planning. We plan to complete the project by the end of 2024.

Build a safety-driven culture. To embed a sustainable safety culture within our core operations, we must overcome the attitudes and views that underlie unsafe behaviors — such as fear of retaliation, the misconception that safety is a job only for EHS&S, and the assumption that injuries are inherent to the job. In 2024, we are embarking on a journey to change these and other safety-limiting mindsets.



Identifying and correcting hazards. At the onset, our primary focus will be on the heightened risk of strains and sprains involving material handling. We will examine all material-handling operations to identify ergonomic improvements, and based on this assessment, we will prioritize certain operations for upgrades. We expect this will be a multiyear process of eliminating conditions that have infiltrated our operations. We will start this effort in early 2024.

Implement EHS&S management system standards. This is how we make EHS&S sustainable: by standardizing our programs, ensuring that we are meeting all of our EHS&S obligations, and implementing continuous improvements. We continue to further develop and enhance our process and technical standards to ensure compliance with regulatory requirements and provide a consistent approach to all EHS&S activities. A multiyear program, this effort began in 2023 and will continue over the next two years as we enhance our existing management system.

balchem **CRITICAL TO LIFE**




MOBILE EQUIPMENT

✓

balchem **CRITICAL TO LIFE**




HOT WORK

✓

balchem **CRITICAL TO LIFE**

LOCKOUT STATION




LOCKOUT TAGOUT

✓

balchem **CRITICAL TO LIFE**




CONFINED SPACE

✓

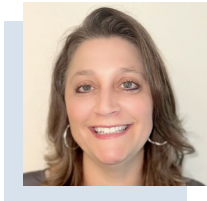
balchem **CRITICAL TO LIFE**




ELEVATED WORK

✓

People



“Balchem gives back to the local communities where we operate and provides a helping hand to those in need.”

— Renee McComb, Director, Corporate HR

Community Involvement



Balchem is committed to, and recognizes the importance of, building strong relationships within the communities where our employees live and work. In addition to being a social responsibility, community engagement plays a key role in our long-term business success and aligns with CSR best practices.

We are proud of our global team and how they have demonstrated their excitement and commitment to volunteerism in causes that help those who are less fortunate and help improve the environment.

In October, employees and their families in the tri-state area participated in the Hudson Valley Making Strides Against Breast Cancer Walk,

having fun while donating time and fundraising to fight this devastating disease. Many of our other offices around the globe also “got their pink on” and held various activities to support the cause.

During Volunteer Week and Giving Tuesday, many of our teams hosted events across the globe to collect donations of food for humans and pets as well as clothing and hygiene products to provide basic necessities to the underserved. These efforts support SDGs 1 and 2, which focus on eradicating poverty and hunger and on promoting food security, nutrition, and sustainable agriculture.



Employees at the Lincoln, Nebraska site collected non-perishable food items during Giving Tuesday



Employees participating at the Hudson Valley Making Strides Against Breast Cancer Walk

People



Adopt-A-Highway

Balchem has adopted sections of roads and highways in the metropolitan New York and New Jersey area through Adopt-A-Highway, a volunteer program focused on cleaning and maintaining state highways. The mission of this program is to ensure that our roads and highways stay safe, clean, and more attractive.



A Day of Delivering Hope

In November 2023, some of our employees volunteered to pack meal kits for the Maryland Food Bank. This annual event is coordinated by Perdue Farms and McCormick & Company and delivers nutritious meals to 5,200 individuals and families struggling with food insecurity on the Eastern Shore of Maryland. Balchem also supported this event by donating funds to pay for the printing of the cooking instructions that were included in each box.



Wine To Water

Wine To Water (“WTW”) is a nonprofit that provides a community-led model integrating water and sanitation education initiatives to advance SDG 6, declaring the importance of clean water and sanitation for all. In 2023, several Balchem employees attended WTW’s filter build workshop to assemble water filters and learn about the global water crisis. In total, our employees assembled 25 water filters, providing 300 individuals with access to clean water for at least 10 years. Additionally, 26,950 plastic water bottles will be offset by these filters over a two-week disaster response period.





5 | Planet



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

— Mitch Gardner, Vice President, Manufacturing, Supply Chain

Energy Management



Balchem is pleased to announce that we have achieved a 31.6% absolute reduction from our 2020 baseline Scope 1 and 2¹ GHG emissions. We could not have achieved this without the dedication of our employees to proactively manage our facilities in ways that were both energy-efficient and environmentally sustainable. The actions that we have taken so far have built a foundation to ensure that we continue to achieve our GHG commitments in the future.

GHG Emissions Profile

We are thrilled to announce that for 2023, Balchem is reporting Scope 1, Scope 2,¹ and Scope 3² GHG emissions. This represents our first disclosure of Scope 3 emissions, which is the result of careful and diligent internal data collection and analysis.

Our Scope 1 and Scope 2¹ GHG emissions continue to show year-over-year improvement. We emitted 24,250 metric tons less carbon dioxide equivalents (“CO₂e”) than our 2020 baseline. This represents a 6.6% year-over-year reduction and a remarkable 31.6% reduction from the baseline.

Our initial Scope 3 emissions are 448,610 MT CO₂e, representing our largest emissions scope. Our 2022 Scope 3 emissions were 449,147 MT CO₂e. As a manufacturer, purchased goods and services is the largest category of our Scope 3 emissions.

In 2023, we also completed our initial public CDP Climate disclosure, a commitment that helps us to better align with multiple regulatory reporting frameworks. In the future, we plan to align with the TCFD

and to reevaluate our goals through the Science Based Targets initiative (“SBTi”).

Achieving Our Reduction Plan

In 2023, we continued to execute our green energy strategy to reduce our Scope 2¹ emissions by purchasing renewable energy credits (“RECs”) that offset approximately 36,000 megawatt hours (“MWh”) of our electrical use. These RECs were used to support wind farms in Big Lake, Texas, and Frankfort, Kansas. In the future, we plan to continue leveraging green energy as we implement our other reduction strategies.

Leveraging Data for Sustainability

Last year, we announced the implementation of a system to track energy usage and emissions data at near-real-time speed with improved accuracy. Throughout 2023, we used that data to better manage our business and navigate our energy needs. Leveraging data that is available from the infrastructure that we built for sustainability is one way in which we exceeded our GHG goal.



High-efficient condensate pump at the Covington, Virginia site



2023 is our first year reporting on Scope 3² emissions.

1. Scope 2 GHG emissions are calculated using the market-based approach.

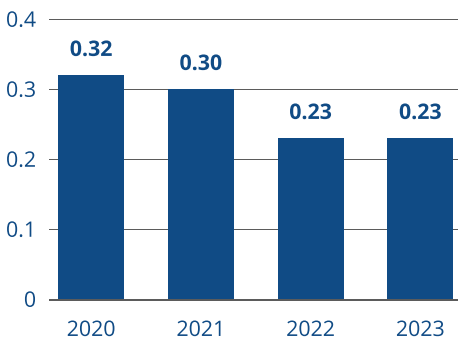
2. Scope 3 emissions are calculated based on the following categories: purchased goods and services, fuel and energy related activities, business travel, and employee commuting.

Operational Improvements in 2023

As part of our project approval process, our site and corporate engineering teams consider the climate impact of all capital projects. We're happy to report that in 2023, we successfully implemented many projects that have a positive impact on our GHG emissions. Our Bridgeton, Missouri, facility replaced fluorescent and high bay lighting fixtures with energy-efficient LED lighting — changes that are estimated to reduce the site's total electricity usage by 1%. In our plant in Faribault, Minnesota, a similar project will reduce site energy usage by nearly 10,000 kilowatt hours ("kWh").

In addition to lighting projects, our plants implemented many improvements to manufacturing and support systems. For example, our Covington facility installed a high-efficiency condensate pump for its boiler system and replaced an aging air compressor with an energy-efficient screw drive compressor, improvements that are approximately 3% more energy efficient. Meanwhile, our Marshfield, Wisconsin, plant replaced its dryer cooling system with a system that consumes less energy to cool the same amount of finished product.

GHG Intensity: CO₂e Emissions Per Ton of Production



31.6%

Absolute Reduction vs. 2020 Baseline (Scopes 1 and 2)¹

1. Scope 2 GHG emissions are calculated using the market-based approach.

MT of CO₂e Emissions (thousands)

	2020 (baseline)	2021	2022	2023
Total Scopes 1 and 2 ¹	76.8	77.3	56.2	52.6
Scope 1		51.9	49.6	47.0
Scope 2 ¹ (market-based)		25.4	6.7	5.6
Scope 3 ²		-	449.1	448.6

Change from 2020 (Scopes 1 and 2)

-24.3

-31.6%

Total Change in GHG Emissions

Changes from 2022 (Scopes 1 and 2)

-3.7

-6.6%

Percentage Change

Emissions Reduction



1. Includes Scope 1 and Scope 2 market-based GHG emissions. All GHG emissions values are measured in thousand MT of CO₂e.
2. Scope 3 emissions are calculated based on the following categories: purchased goods and services, fuel and energy related activities, business travel, and employee commuting.

Planet



“Access to clean and abundant water is a fundamental human right, and Balchem is committed to reducing its water usage by 25% by 2030.”

— Carrie Dynis, Vice President, Manufacturing

Water Management



Because water scarcity, pollution, climate change, and other global water trends pose major challenges, Balchem has set a goal of 25% water withdrawal reduction by 2030 from our baseline year of 2020. Access to clean and abundant water is essential to everyone, and we are committed to doing our part in ensuring that this fundamental human right is protected.

Balchem’s water withdrawal in 2023 was 3.7 million cubic meters of water. Compared to our baseline of 4.0 million cubic meters, this was a reduction of 7.6% and represents significant progress toward our goal.

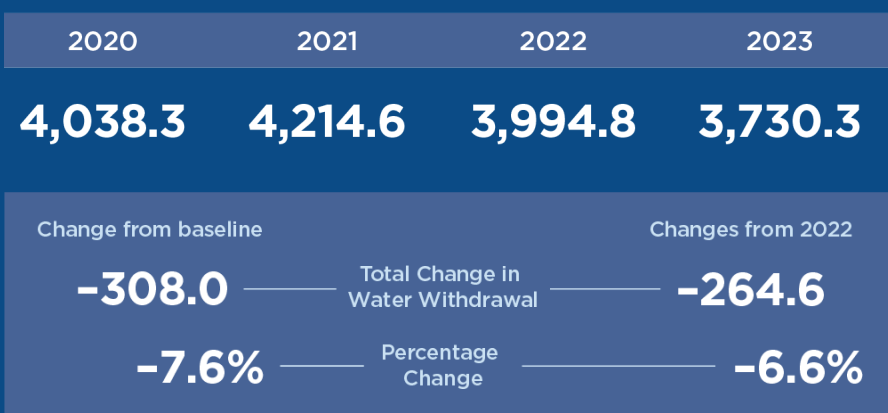
Our Reduction Plan and Initiatives

Balchem’s primary use of water is withdrawal for cooling during our various production processes. As we work to implement intensive water reuse and recycling projects — such as cooling towers — we are also implementing efficiency improvements. In 2023, our Bridgeton facility installed water-saving seal pots and controls on pumps, saving over 2.4 million gallons of water annually. This is equivalent to a 9% savings in the facility’s water usage. We look forward to seeing the results of these initiatives, including a decrease in our absolute water usage. The combination of efficiencies and significant changes in our use of process water will help us achieve our 2030 goal.

7.6% Absolute Reduction vs. 2020 Baseline¹

¹ All water withdrawal values are measured in thousand cubic meters (“CBM”) of water.

Water Withdrawal (thousand CBM)



Water Conservation



¹ All water withdrawal values are measured in thousand cubic meters (“CBM”) of water.

Planet



“We are committed to responsible sourcing and always encourage our suppliers to employ sustainable practices.”

— Kyle Montgomery, Vice President, Supply Chain

Material Sourcing



The raw materials and supplies that are used in our supply chain represent an important component of Balchem’s sustainability commitment. We are dedicated to increasing our use of renewable raw materials, ensuring that all materials are manufactured within an ethically responsible framework, and building a strong and diverse supply chain that supports our customers’ needs.

Our [Supplier Code](#) and our [Modern Slavery and Human Trafficking Statement](#) can be found on our website. Both documents set firm requirements for our employees and suppliers, and include information that governs the responsibilities of all Balchem employees when sourcing and interacting with material suppliers. Employees in the procurement department also receive additional training to ensure that we follow our ethical framework in any and all sourcing decisions. We are committed to aligning our supply chains to source regionally and to finding sources that are near our facilities. This action not only reduces our carbon footprint by reducing the energy used in transit but also strengthens our supplier network by bringing us closer to our upstream sources, allowing us to ensure quality, compliance, and strength of supply. This principle is illustrated by the fact that 92.0% of our raw materials originate in the United States or EU, where the majority of our production occurs.

Balchem is a member of both the Roundtable on Sustainable Palm Oil and Sedex. As a member of the RSPO, we source 100% of our palm oil from renewable, mass-balance sources. This also confirms our commitment to redeveloping our supply chain to 100% RSPO-certified material. As a member of Sedex, we comply with the principles of the Sedex Members Ethical Trade Audit (“SMETA”), which establishes best practices for environmental and business ethics. Balchem is committed to ensuring compliance with SMETA at all of our facilities. We also furthered our commitment to sustainable farming by increasing the amount of raw cocoa material that is UTZ Certified, a program for sustainable farming that ensures fair sourcing and labor practices, to 47.3%.



Raw material warehouse at the Faribault, Minnesota site

Sedex² | Member



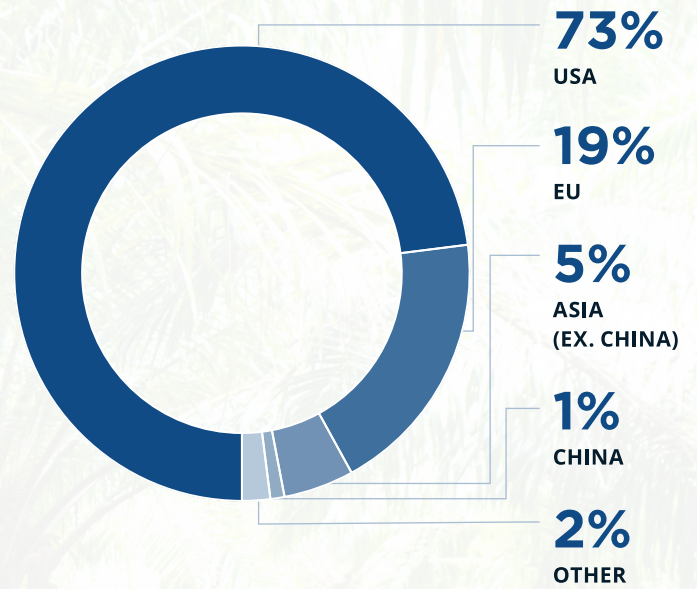
Part of the RAINFORREST ALLIANCE

Planet

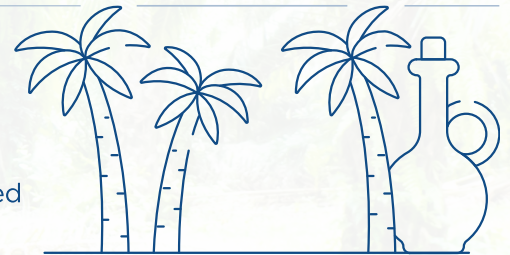


Regional Diversity in Raw Materials and Suppliers

We are committed to aligning our supply chains to source regionally and finding sources near our facilities.



100%
of all palm oil
sourced certified
through RSPO



Planet



“Balchem facilities strive to reduce waste products and reuse and recycle packaging with the help of local businesses.”

— **Martin Reid**, Senior Vice President and Chief Supply Chain Officer

Waste Management



Balchem’s commitment to customers includes a focus on producing the highest-quality material and getting it right the first time. A crucial component of this commitment is eliminating waste and avoiding out-of-specification material. We are pleased to report that we have accomplished impressive results: product disposals in 2023 were down 12% from the prior year and a remarkable 84% from 2019. We achieved this result through diligent quality improvements, including:

- Careful selection of raw materials, with specifications aligned with our needs
- Real-time process measurements and optimizations, designed to eliminate waste and reduce risks
- Continuous improvements throughout all of our manufacturing processes
- A focus on our core value of “always doing the right thing” in manufacturing
- Making sure that finished product specifications accurately reflect both the expectations of our customers and the capability of our manufacturing systems

Waste Recycling and Reduction

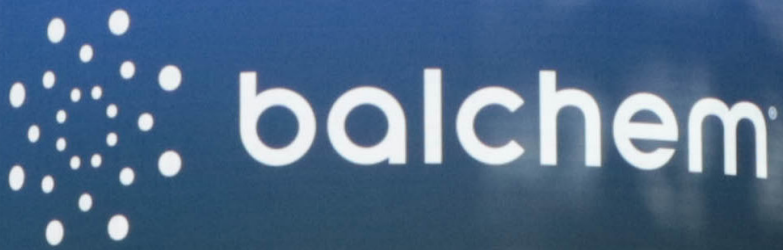
Balchem recognizes the environmental and financial impacts associated with landfill waste. Guided by our core value of “always doing the right thing,” we are committed to reducing, recycling, and reusing, and we exemplify this in our business practices. Our plants around the world focus on reducing packaging and process waste. Within our Specialty Products business segment, we manage a world-class fleet of returnable containers that help reduce waste. At our Bridgeton facility, we made improvements that reduced caustic usage of cleaning systems by 30% and reduced Clean-in-Place, a process that employs chemicals to clean equipment, by 69%. Similar initiatives are underway for 2024 as we strive to lower our overall waste profile.



Waste reduction improvements at the Bridgeton, Missouri site

6 | Profit

Making the World
a Healthier Place



BCPC NasdaqListed



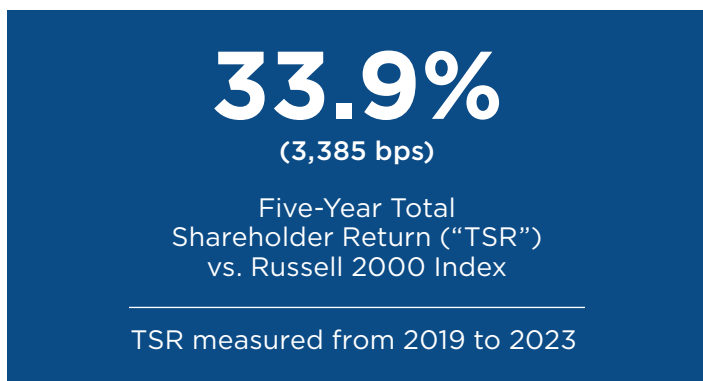


“At our core, we are a health and nutrition company.”

— Ted Harris, Chairman, President and Chief Executive Officer

Our Foundation

Since our inception in 1967, Balchem has focused on creating long-term value to ensure our financial sustainability. This foundation enables our organization to meaningfully contribute toward our vision of making the world a healthier place. We are accomplishing this through our relentless focus on delivering trusted, innovative, and science-based solutions to the nutrition, health, and food markets — and through a reliance on our core values, which are the foundation and the very essence of who we are and how we do business. By staying true to these core values, Balchem has evolved into a global company that impacts the health and well-being of millions of people and animals around the world.



Balchem’s Core Values



always doing the **RIGHT** thing



thinking **BIG** and acting small



collaborating and **GROWING** together



playing to **WIN**



staying Focused on the **CUSTOMER**



Collaborating and growing together.

We believe that collaboration is key to our success and that there is no time for building internal barriers. We are a team whose members support one another and work well together to achieve common goals. Our collaborative environment fosters teamwork and drives growth. We understand that the success of our company requires a collective effort, resulting in opportunity and growth for all of our employees and stakeholders.



Playing to win.

We strive to be successful in everything we do. We are ambitious and determined in how we approach opportunities and have a sense of urgency to drive results. We are confident that we can solve today’s challenges to help shape a healthier tomorrow.



Staying focused on the customer.

We recognize that without our customers we do not exist. Truly engaging with our customers will result in more innovative and effective solutions for the health and nutritional needs of the world. That is what drives our passion for helping our customers to succeed, grow, and win in their markets.



Always doing the right thing.

In every decision we make, we are committed to doing what is in the best interests of our employees, our customers, our shareholders, and the communities in which we operate. We are inclusive, treat others with respect, and lead by example. We take responsibility for our own personal safety as well as the safety of our colleagues. We follow all established policies and applicable laws. Simply said, we hold ourselves to the highest standard.



Thinking big and acting small.

We believe that better is always possible and that we can indeed make the world a healthier place. We encourage curiosity, diversity of thought, and “out of the box” thinking. We are open to new ideas and new ways of getting things done. Our aspirational mindset is essential to our future success. As we grow, we want to remember our entrepreneurial beginnings and retain the humility and agility that made us who we are today.

Profit

Our 2023 Operational & Financial Results

We continue to leverage our strong position and attractive product offerings to supply our customers with the products and services they demand. Overall, 2023 was another solid year for Balchem. We delivered record earnings from operations of \$159.2 million, an increase of 9.6% from the prior year, and a record adjusted EBITDA of \$230.9 million, an increase of 7.1% from the prior year. Our 2023 financial results further highlight the resilience of our business model in a challenging environment.



In 2023, we fully integrated two 2022 acquisitions — Kappa Bioscience and Bergstrom Nutrition — into our business. The resulting benefits of adding vitamin K2 and methylsulfonylmethane to our product portfolio are unfolding as we anticipated. Our broader product portfolio is enhancing our ability to provide a wider array of innovative

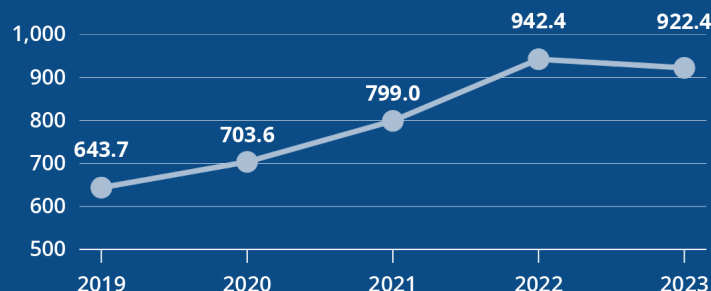
solutions for the health and nutritional needs of our customers, while furthering our positive impact on all stakeholders.

We also shared several exciting new studies that are linked to our portfolio of minerals, nutrients, and vitamins for both human and animal nutrition. We believe that as we continue to innovate and strengthen the supporting science behind many of our existing products, while further enhancing our marketing capabilities, the positive impact of our unique portfolio of products and technologies will follow suit.

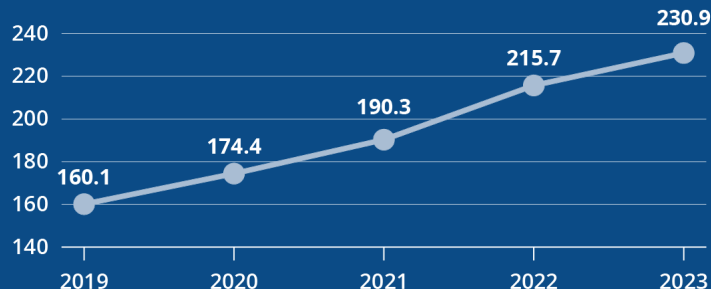
From an operations perspective, we have identified several innovative solutions and continue to seek further opportunities to improve efficiency and reduce our GHG emissions and water usage. Our 2023 operational and financial results reflect a tremendous team effort and a job incredibly well done by our employees, our partners, and our other stakeholders who supported us and contributed to drive our success throughout the year.

We are excited about the future and have fully embraced the challenges that lie ahead of us on our journey to make the world a healthier place.

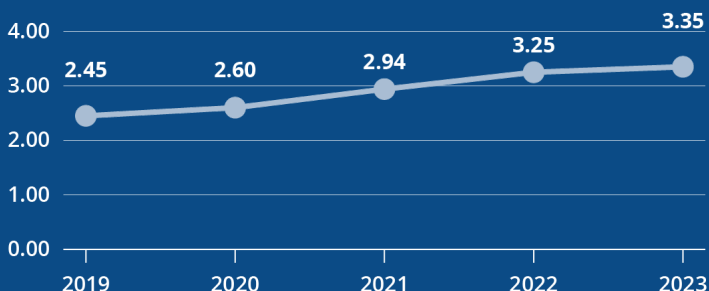
Revenue, \$ million



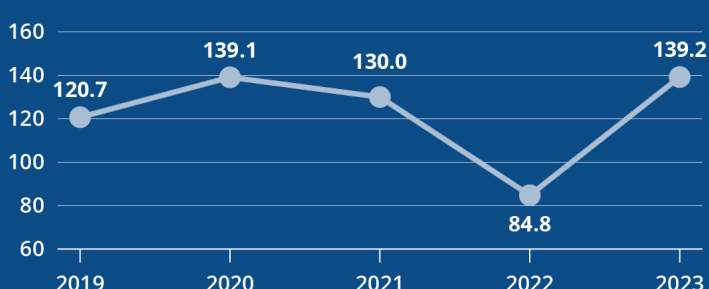
Adjusted EBITDA,¹ \$ million



GAAP Earnings Per Share, \$



Free Cash Flow Conversion, %



\$108.5M GAAP Net Earnings

1. Adjusted EBITDA is defined as earnings before income taxes, interest, other expense, depreciation, amortization, expense related to a flash flood event, inventory valuation adjustments, transaction and integration costs, ERP implementation costs, unallocated legal fees, certain impairment charges, as well as add backs for the non-cash compensation expense related to equity awards, nonqualified deferred compensation plan expense, and restructuring costs.

Profit



“By fostering a culture where every voice matters and by empowering our employees to speak up, we promote transparency and accountability, driving governance and excellence throughout our organization.”

— **Hatsuki Miyata**, Executive Vice President, General Counsel and Secretary

Our Governance

Our commitment to sustainability and governance is ingrained in our business practices as we strive to make the world a healthier place. We believe that a sound governance structure and clear lines of responsibility will enable us to continue to deliver on our commitments. As an organization, we employ leading corporate governance practices that are built on the foundation of our Code and our [Corporate Governance Guidelines](#).

The first of Balchem’s core values is “always do the right thing.” This is the underpinning of our company’s higher purpose of making the world a healthier place. This means that we conduct our business with high ethical standards. We comply with applicable laws and regulations. We will not engage in any activity that is illegal, unethical, or detrimental to Balchem’s products, personnel, or business. Our Code reinforces our commitments to sound governance and good business practices. We believe that doing the right thing is recognized by all of our valued stakeholders and that ultimately, doing so has a real and positive impact on our business.

Our Governance Structure

Our Board consists of a diverse group of individuals with a varied and balanced mix of skills, business and leadership experience, and viewpoints. Directors are elected by our shareholders by class. Our Corporate Governance Guidelines reflect our company’s commitment to seek and elect diverse board members. We believe

that Board membership should reflect diversity in its broadest sense and that diversity within a Board promotes the inclusion of different perspectives and ideas, mitigates against groupthink, and ensures that the company has the opportunity to benefit from all available talent. Except for our Chairman, President and Chief Executive Officer, all of Balchem’s directors are independent in accordance with Nasdaq listing rules. Our annual meetings are held virtually, expanding access to shareholders and other interested parties.

Sustainability

We are committed to running our business in a way that respects the overall environment in which we operate. Corporate responsibility and sustainability play an important role in our strategies and long-term value creation for our stakeholders. We believe that our sustainability practices require transparency and accountability. Our sustainability framework, which focuses on the CSR topics most relevant to our business and stakeholders, has been fully integrated into our governance and everyday operations. Balchem has a cross-functional Sustainability Steering Committee, led by the Chairman, President and Chief Executive Officer and a management team representing our entire business. The Board, through its CG&N Committee, has oversight over CSR matters. The management team updates the CG&N Committee about CSR matters (including strategy, initiatives, and policies) at least twice a year. For a full description of Balchem’s corporate governance practices and our approach to risk management, please refer to our most recent Proxy Statement and our 2023 Form 10-K, or visit our [Investor Relations page](#).

Profit

Our Board has four committees, each of which is composed of independent directors:



Audit Committee



Compensation Committee



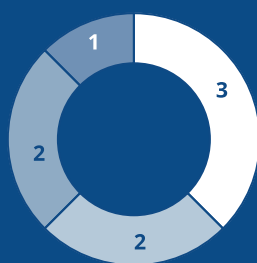
CG&N Committee



Executive Committee

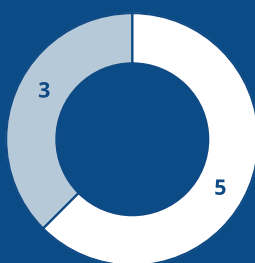
Diversity in Our Board as of December 31, 2023

Tenure Balance



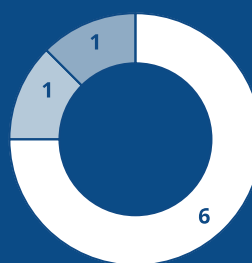
● 0-3 years ● 7-9 years
● 4-6 years ● 10+ years

Gender Diversity



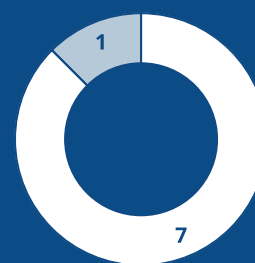
● Male
● Female

Race/Ethnicity



● White
● Hispanic/Latino
● Asian

Director Independence



● Independent
● Not Independent

Audit Committee

Our Audit Committee does the following:

- Monitors the work of Balchem's accounting, financial reporting, and internal control processes
- Provides oversight of our compliance with the Code of Conduct
- Assists the Board with oversight of the company's Enterprise Risk Management Program, including ESG risks
- Handles the appointment, compensation, retention, and oversight of Balchem's independent auditors

Compensation Committee

The Compensation Committee does the following:

- Determines the compensation of Balchem's Chief Executive Officer and other executive officers
- Administers Balchem's equity compensation plans
- Recommends new compensation plans and amendments to existing plans to the Board

Our Board and management are compensated to enhance shareholder value. The company's compensation system, which is outlined in our [BCPC Proxy Statement](#), aligns management and director compensation with financial results and shareholder return.

CG&N Committee

The CG&N Committee does the following:

- Gives the Board recommendations about individuals who should be nominated as directors
- Reviews Balchem's corporate governance policies and documents
- Oversees our sustainability-related practices and monitors the company's progress on ESG metrics

Executive Committee

In coordination with the CG&N Committee, the Executive Committee does the following:

- Recruits, evaluates, and selects suitable candidates for the Chief Executive Officer position
- Reviews succession planning for Balchem's Chief Executive Officer and key executives

Together with the Compensation Committee, the Executive Committee establishes objective criteria for the evaluation of the performance of the Chief Executive Officer. Our governance structure not only satisfies our regulatory requirements but also provides effective company oversight and management.

Profit

Ethics, Human Rights, and Safety

Balchem is committed to protecting human rights and ensuring that work environments are safe throughout our supply chain, starting with our own employees. As stated in our Modern Slavery and Human Trafficking Statement, we are committed to fair employment practices, which includes rejecting involuntary labor, child labor, and human trafficking. Everyone at Balchem is required to abide by our Code, which sets clear expectations concerning ethical behavior and compliance with laws. We require all employees to be trained on our Code and certify their compliance with it on an annual basis. Our Sustainability Framework also includes a [Code of Ethics for Senior Financial Officers](#) to promote honest and ethical conduct and proper disclosure of financial information in the company's periodic reports.

Our [ethics reporting hotline](#) is accessible by phone, internet, or mobile device via a reporting form. Claims can be submitted anonymously at any time. We do not, in any form, tolerate retaliation against employees who raise concerns, who make good-faith reports about possible breaches of law or our governance policies, or who participate in an investigation. Balchem's suppliers are expected to adhere to our Supplier Code, which defines our commitment to protecting human rights and ensuring safe work environments throughout our supply chain. Suppliers are expected to treat all people within their organizations with dignity and respect and ensure that supply chains in any location are free from discrimination, violence, and unfair labor practices, just as we do ourselves.

Anti-Bribery, Anti-Corruption, and Conflicts of Interest

Balchem does not pay bribes or participate in any other corrupt activity. There are laws designed to prevent bribery and corruption throughout the world, including the U.S. Foreign Corrupt Practices Act ("FCPA") and similar laws worldwide that make it a crime to make improper payments to government officials to influence them in the performance of their duties. Balchem complies with all of these laws. The FCPA applies regardless of geographical location or local custom, and no U.S. company or its employees or agents may offer, promise, pay, or authorize the payment of "anything of value" to any "foreign official" in order to aid the company in obtaining or keeping business or securing some other "improper business advantage." The offer or payment may not be made directly by Balchem or through another person, such as an agent employed by Balchem.

Further, Balchem employees must manage any conflict, and even the appearance of a conflict, between their personal interests and the interests of the company. Our employees and their immediate family members may not be involved with any undisclosed business that competes or does business with Balchem. We require employees to disclose in writing, to the Chairman, President and Chief Executive

Officer or the General Counsel, any outside business or financial interest which could influence their responsibilities to the company.

Reporting Concerns and Non-Retaliation

Balchem is committed to facilitating an environment in which all employees are encouraged to speak up if they observe something of concern in our business or workplace. We encourage an open-door culture to discuss these concerns, and we provide multiple avenues for employees to request help or to notify the company of potential misconduct or violations of our Code or of applicable law.

Employees who see or hear something of concern are expected to alert someone in management — for example, their supervisor, site manager, the Legal department, or a Human Resources representative. We also maintain an Ethics and Compliance Hotline so that employees and others can report their concerns confidentially and anonymously. Balchem does not tolerate retaliation against anyone who, in good faith, reports a possible violation or who participates in an investigation.

MAKE @ DIFFERENCE 

SPEAK UP

PRESERVE OUR CULTURE OF INTEGRITY

If you ever have a concern about unethical, illegal, irresponsible activity, or wish to make a whistleblowing report, don't keep it to yourself. Discuss it with a manager or supervisor.

If you prefer to remain anonymous, contact NAVEX.

Profit

Balchem recognizes that risk is inherent to any business activity and that managing risk effectively is critical to the immediate and future success of the company.

Risk Management

The Board, through its Audit Committee, has oversight of Balchem's enterprise risk management program ("ERM"). Balchem's ERM helps us identify our degree of exposure to risks that may arise in the course of our operations.

The Board uses Balchem's ERM program as a key tool for understanding the risks facing the company, and for assessing whether management's processes, procedures, and practices for mitigating those risks are effective. Our Internal Audit function is primarily responsible for the planning, assessment, and reporting of our risk profile and risk management program. The Audit Committee receives annual updates from the members of the management team responsible for understanding and managing risks in specific areas, including finance, operations, legal, regulatory, information security, ESG, and cybersecurity.

In addition to the Audit Committee, all Board committees also monitor, and contribute to the oversight of, specific risks in their respective

areas. As part of its role in evaluating the company's corporate governance practices and procedures — including identifying best practices — the CG&N Committee reviews and recommends necessary updates to the procedures, policies, and documents that constitute the company's corporate governance framework, including the By-laws and Corporate Governance Guidelines. At least once per year, the Board and CG&N Committee review the organization's talent pipeline. More specifically, the Board discusses and reviews the succession plans for the Chairman, President and Chief Executive Officer and other key executives. A company-wide process helps leaders proactively identify, develop, and retain the leadership talent that is critical for our future business success. The Compensation Committee's risk-related considerations are described under the heading "Risk Considerations in Our Compensation Program" in the Compensation Discussion and Analysis section of our [Proxy Statement](#).

For a full description of Balchem's corporate governance practices and our approach to risk management, please refer to our most recent Proxy Statement and our Code, and visit our [Investor Relations page](#).



Risk Management Oversight



Our Board

- General oversight of risk management
- Oversight of enterprise risk management process
- Assessment of management's processes, procedures, and practices
- Oversight of ESG and cybersecurity matters



Audit Committee

- Accounting and financial controls
- Financial statement inquiry
- Financial risk exposures
- Tax policy and compliance
- Review enterprise risk management policies and exposures, including cybersecurity risks
- Other financial-related compliance matters



Compensation Committee

- Risk mitigation to compensation programs
- Risks related to compensation policies



CG&N Committee

- Risk-related corporate governance structure and processes (including Director qualifications and independence)
- Review and recommend any updates to the Code of Business Conduct and Ethics to the Board
- Other corporate-related compliance matters
- Business sustainability risks, including ESG



Management

- Assessment and management of potential risks
- Development and implementation of controls and risk mitigation strategies
- Administration of enterprise-wide risk management system



Representative Risks Covered

- Strategic
- Operational
- Financial
- Cybersecurity
- Information technology
- ESG
- Legal and regulatory compliance

Profit

Balchem's Approach to Cybersecurity

Balchem's Information Security Program includes policies, best practices, infrastructure, systems, and measures designed to protect Balchem's digital estate. As the cyberthreat landscape evolves and changes, Balchem remains focused on, and committed to, investing in our Information Security Program, and implementing and improving appropriate safeguards around IT networks, devices, and applications. We are also committed to protecting our intellectual property, as well as employee, customer, and shareholder data, from unauthorized access, disclosure, or compromise. To address cybersecurity threats more effectively, our company subscribes to a "least permissive" approach, which includes several layers of security measures.

Balchem is committed to maintaining and enhancing information security by investing in cybersecurity and in the following activities.

Reliable, Scalable Systems and Infrastructure

Our information security systems, infrastructure, and processes are built on and follow the U.S. National Institute of Standards and Technology ("NIST") framework for information security, which

is a set of guidelines, accepted standards, and best practices for mitigating organizational cybersecurity risks published by the NIST. As technology changes, Balchem continues to invest in leading software and hardware to strengthen our security posture and business continuity capabilities. Balchem continues to test and validate our core systems to ensure as little operational impact as possible in a worst-case scenario.

Artificial Intelligence and Automation

As artificial intelligence and automation in the cybersecurity space evolve, Balchem is committed to reviewing and implementing such systems as needed. Balchem has implemented several systems to proactively test attack vectors by emulating internal and external threats, resulting in the validation of our ability to detect and defend against a cyberattack. Balchem has implemented several state-of-the-art network and security systems that integrate artificial intelligence to detect and mitigate potential cyberthreats against the organization. In 2023, Balchem integrated numerous new technologies, including automated malicious detection and response powered by state-of-the-art artificial intelligence as well as best-in-class network protection and control hardware. These new platforms give Balchem greater visibility into overall network security and greater levels of control to actively and more efficiently address cyberthreats.

Key Information Security Metrics for 2023

Information Security Risk Oversight and Management

<i>Description</i>	<i>Metric</i>
Number of times the Board and Audit Committee were briefed on the information cybersecurity program	2
Number of external, independent, third-party risk assessments (pen tests) performed	2

Information Security Training and Compliance

Number of cybersecurity trainings delivered to employees	2
Number of employees who have received cybersecurity trainings	883
Number of social engineering phishing training campaigns conducted	12

Profit

Training

Recognizing that information security, stakeholder data, and privacy principles involve more than just systems and infrastructure, Balchem provides ongoing cybersecurity education and training to all users with access to IT systems, devices, or applications. Social-engineering phishing campaigns are conducted frequently to build awareness of cybersecurity and reinforce best practices across the organization.

Third-Party Evaluations

As we work diligently on our security posture, we understand that third-party testing and evaluation is required. We engage third-party services to conduct evaluations of our security controls, whether through penetration testing, independent audits, or consulting on

best practices to address new challenges. These evaluations include testing both the design and operational effectiveness of security controls. We will take their guidance and findings and actively resolve and reinforce them to ensure our systems are secure.

Data and Information Privacy

Balchem is committed to complying with applicable privacy and data protection laws, such as the General Data Protection Regulation, wherever we conduct business. Access to personal information collected by Balchem regarding employees, customers, partners, vendors, shareholders, or any third party is restricted according to job roles and responsibilities and is treated with care and safeguarded by policy and practice to ensure it is used lawfully and properly.



Conclusion

We are committed to operating responsibly and creating a sustainable future for our customers, suppliers, employees, communities, and shareholders.

We hope our 2023 Sustainability Report provides a clear understanding of our progress over the past year. Thank you for taking the time to learn about the work and progress Balchem has made to integrate sustainability into our strategy, operations, and business decisions.

We are excited about our future. Moving forward, we will continue to foster these fundamental sustainability principles across all of Balchem while innovating new technologies to support our efforts, achieve our 2030 goals, and support the UN 2030 Agenda for Sustainable Development.

For more information about Balchem Corporation, please visit www.balchem.com.

Caution Concerning Forward-Looking Statements

This report contains forward-looking statements, within the meaning of the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934, as amended, which reflect our expectation or belief concerning future events

that involve risks and uncertainties. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "likely," "estimate," "forecast," "outlook," "intend," "strategy," "future," "opportunity," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," or the negative thereof or variations thereon or similar expressions generally intended to identify forward-looking statements. Actions and performance, including the achievements of our targets, goals, or commitments, could differ materially from what is contemplated by the forward-looking statements contained in this report. Factors that might cause differences from the forward-looking statements include those referred to or identified in Balchem's Annual Report on Form 10-K for the year ended December 31, 2023 and other factors that may be identified in our other filings with the Securities and Exchange Commission. Reference should be made to such factors and all forward-looking statements are qualified in their entirety by the above cautionary statements. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.



7 | Appendix



Appendix: GRI Index



GRI Index

Statement of Use: Balchem has reported the information cited in this GRI content index for the period January 1, 2023–December 31, 2023 with reference to the GRI Standards. The issues addressed in this report were identified and prioritized by engaging a wide range of stakeholders internally and externally (see About Our Report). Through this process, we identified ESG topics that are material to our company, some of which are covered by the GRI Standards. Those topics are included in this GRI Index. Based on the availability of data, not all GRI disclosures are reported fully. For more information about GRI Standards, visit <https://www.globalreporting.org/standards>.

GRI 1 Used: GRI 1: Foundation 2021

General Disclosures

GRI 2: General Disclosures 2021

<i>Disclosure Number</i>	<i>Description</i>	<i>Location and Notes</i>
2-1	Organizational details	Our Vision, 2023 Annual Report
2-2	Entities included in the organization's sustainability reporting	2023 Annual Report
2-3	Reporting period, frequency, and contact point	About Our Report, sustainability@balchem.com
2-4	Restatements of information	Our intensity metrics have been updated to reflect the availability of further refined production volumes.
2-5	External assurance	No external assurance is obtained over the People and Planet pillars. Profit financial data listed in Form 10-K has been audited.
2-6	Activities, value chain, and other business relationships	Message from Our Chairman, President and Chief Executive Officer, 2023 Annual Report, Planet - Material Sourcing, About Our Report
2-7	Employees	2023 Annual Report, People – Human Capital
2-8	Workers who are not employees	People – Human Capital
2-9	Governance structure and composition	Profit – Our Governance
2-13	Delegation of responsibility for managing impacts	Profit – Our Governance
2-17	Collective knowledge of the highest governance body	Profit – Our Governance
2-22	Statement of sustainable development strategy	Message from our Chairman, President and Chief Executive Officer
2-23	Policy commitments	Balchem Corporation Code of Business Conduct and Ethics, Profit

Appendix: GRI Index

General Disclosures

GRI 2: General Disclosures 2021

Disclosure Number	Description	Location and Notes
2-25	Processes to remediate negative impacts	Planet - Material Sourcing
2-26	Mechanisms for seeking advice and raising concerns	Balchem Corporation Code of Business Conduct and Ethics Profit - Our Governance
2-28	Membership associations	<p>Management includes officers, members, or support of the following associations:</p> <ul style="list-style-type: none"> • Associate members of Advanced Medical Technology Association ("AdvaMed") • Association of American Feed Control Officials ("AAFCO") • American Association of Bovine Practitioners ("AABP") • American Association of Veterinary Nutritionists ("AAVN") • American Canine Sports Medicine Association ("ACSM") • American Chemistry Council ("ACC") – Ethylene Oxide Safety Task Group • American Chemistry Council ("ACC") – Ethylene Oxide/Ethylene Glycols Management • American Chemistry Council ("ACC") – Toxicology Research Task Group • American College of Theriogenology • American Dairy Science Association ("ADSA") • American Feed Industry Association ("AFIA") • American Meat Science Association ("AMSA") • American Registry of Professional Animal Scientists ("ARPAS") • American Institute of Certified Public Accountants ("AICPA") • American Society for Mass Spectrometry ("ASMS") • American Society for Quality ("ASQ") • American Society of Animal Science ("ASAS") • American Spice Trade Association ("ASTA") • Ethylene Oxide Sterilization Association ("EOSA") • EU Association of Specialty Feed Ingredients and their Mixtures ("FEFANA") • National Animal Supplement Council ("NASC") • Pet Food Institute ("PFI") • Poultry Science Association ("PSA") • Professional Animal Auditor Certification Organization ("PAACO") • World Aquaculture Society ("WAS") • Roundtable on Sustainable Palm Oil ("RSPO") • Supplier Ethical Data Exchange ("Sedex") • United Nations Global Compact ("UNGC")

Appendix: GRI Index

General Disclosures

GRI 2: General Disclosures 2021

Disclosure Number	Description	Location and Notes
2-29	Approach to stakeholder engagement	Message from Our Chairman, President and Chief Executive Officer, About Our Report
2-30	Collective bargaining agreements	Balchem has established good working relationships at the Verona, Missouri; Marano Ticino, Italy; and Bertinoro, Italy, sites. In 2023, approximately 18.0% of our employees were represented by collective bargaining agreements.

Material Topics

GRI 3: Material topics 2021

3-1	Process to determine material topics	About Our Report
3-2	List of material topics	About Our Report While the format of reported disclosures has been updated for the current reporting period to align with the updated GRI disclosure guidelines, there have been no changes in selected disclosures from the previous year.

Materials

3-3	Management of material topics	About Our Report, Planet - Material Sourcing Materials Used by Weight or Volume: <ul style="list-style-type: none"> • Planet - Material Sourcing • Total volume of materials in pounds (lbs.): Renewable - 178.1M lbs. Non-renewable - 340.9M lbs.
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Energy

3-3	Management of material topics	About Our Report, Planet - Energy Management Energy Intensity (EI): <ul style="list-style-type: none"> • Planet - Energy Management • Energy intensity includes all energy resources: Electric only - 0.97 GJ/ton Gas only - 4.04 GJ/ton Combined - 5.00 GJ/ton
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Appendix: GRI Index

Material Topics

Water and Effluents

Disclosure Number	Description	Location and Notes
3-3	Management of material topics	<p>About Our Report, Planet - Water Management</p> <p>Interactions with water as a shared resource:</p> <p>We conducted water scarcity research (refer to Planet - Water Management) and determined that less than 1.0% of water is withdrawn from high-stress water areas.</p> <p>Management of water-discharge-related impacts:</p> <p>Balchem works with local municipalities as facilities discharge water into municipal sources, except for one location that is tightly controlled. We do not operate any plants in high-stress water areas. The results of the water stress analysis (refer to Planet - Water Management) were shared with the Steering Committee, which oversees water management stewardship.</p> <p>Water withdrawal:</p> <ul style="list-style-type: none"> • Planet - Water Management • Total water withdrawn (CBM): 2023: 3,730,250.0 CBM 2022: 3,994,835.0 CBM 2021: 4,214,588.0 CBM <p>Water intensity:</p> <ul style="list-style-type: none"> • CBM withdrawn per MT of products produced: 2023: 16.31 CBM 2022: 16.00 CBM 2021: 16.09 CBM

Emissions

3-3	Management of material topics	<p>About Our Report, Planet - Waste Management</p> <p>Direct (Scope 1) GHG emissions</p> <ul style="list-style-type: none"> • Planet - Energy Management <p>Energy indirect (Scope 2) GHG emissions</p> <ul style="list-style-type: none"> • Planet - Energy Management • Scope 2, location-based (thousand MT of CO₂e) 2023: 23.7 2022: 25.6 2021: 25.4 <p>Other indirect (Scope 3) GHG emissions:</p> <ul style="list-style-type: none"> • Planet - Energy Management
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Appendix: GRI Index

Material Topics

Emissions (continued)

Disclosure Number	Description	Location and Notes
3-3	Management of material topics	<p>GHG emissions intensity:</p> <ul style="list-style-type: none"> Total GHG emissions intensity¹ (MT/revenue in millions) 2023: 56.97 MT/revenue in millions 2022: 59.68 MT/revenue in millions 2021: 96.72 MT/revenue in millions

Effluents and Waste

3-3	Management of material topics	<p>About Our Report, Planet - Waste Management</p> <p>Waste type and disposal method:</p> <ul style="list-style-type: none"> Planet - Waste Management Total weight of hazardous waste (MT): 2023: 748.37 MT 2022: 631.00 MT 2021: 684.37 MT
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Supplier Environmental Assessment

3-3	Management of material topics	<p>About Our Report, People - Product Quality and Safety</p> <p>Negative environmental impacts in the supply chain and actions taken</p> <ul style="list-style-type: none"> People - Product Quality and Safety People - Environmental, Health, Safety & Security Approximately 71.0% of total hazardous waste suppliers have been audited in the past three years.
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Occupational Health & Safety

3-3	Management of material topics	<p>About Our Report, People - Environmental, Health, Safety & Security (EHS&S) Policy</p> <p>Occupational health and safety management system:</p> <ul style="list-style-type: none"> People - Environmental, Health, Safety & Security (EHS&S) Policy <p>Hazard identification, risk assessment, and incident investigation:</p> <ul style="list-style-type: none"> People - Environmental, Health, Safety & Security (EHS&S) Policy Refer to JSAs, GEMBA walks, and the STAR observation program for more information. In addition, for PSM processes, we utilize Process Hazards Analysis for powder handling process operations.
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1. Scope 2 GHG emissions are calculated using the market-based approach.

Appendix: GRI Index

Material Topics

Occupational Health & Safety

Disclosure Number	Description	Location and Notes
3-3	Management of material topics	<p>Occupational health services:</p> <ul style="list-style-type: none"> • People – Environmental, Health, Safety & Security (EHS&S) Policy <p>Balchem has developed several technical and business process standards that sites use to model their procedures. Refer to JSAs, GEMBA walks, and the STAR observation program for more information.</p> <p>Worker participation, consultation, and communication regarding occupational health and safety:</p> <ul style="list-style-type: none"> • People – Environmental, Health, Safety & Security (EHS&S) Policy • Refer to JSAs, GEMBA walks, and the STAR observation program for more information. <p>Worker training on occupational health and safety:</p> <ul style="list-style-type: none"> • People – Environmental, Health, Safety & Security (EHS&S) Policy • Corporate EHS&S and Site Management collaborate on EHS&S training needs for all job classifications, including onboarding, based on applicable compliance obligations, job-specific tasks, and responsibilities. In addition, Safety Talks and Monthly Stand-Down materials are provided and discussed in an effort to educate and reduce injuries. <p>Worker health promotion:</p> <ul style="list-style-type: none"> • People – Human Capital <p>Prevention and mitigation of occupational health and safety impacts directly linked by business relationships:</p> <ul style="list-style-type: none"> • People – Environmental, Health, Safety & Security (EHS&S) Policy <p>Worker-related injuries:</p> <ul style="list-style-type: none"> • People – Environmental, Health, Safety & Security (EHS&S) Policy

Appendix: GRI Index

Material Topics

Diversity and Equal Opportunity

<i>Disclosure Number</i>	<i>Description</i>	<i>Location and Notes</i>
3-3	Management of material topics	About Our Report, People - Human Capital Diversity of governance bodies and employees: <ul style="list-style-type: none">• People - Human Capital• Profit - Our Governance

Local Communities

3-3	Management of material topics	About Our Report, People - Community Involvement Operations with local community engagement, impact assessments, and development programs: <ul style="list-style-type: none">• People - Community Involvement
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Appendix: SASB Index

SASB Index

GHG Emissions

Code	Description	Location and Notes
RT-CH-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Measuring Our Progress, Appendix
RT-CH-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Planet – Energy Management

Energy Management

RT-CH-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, and (4) total self-generated energy	<ul style="list-style-type: none"> • Total energy consumed within the organization: 1,144,505 GJ • Percentage grid electricity: 17.47% • Percentage renewable: 13.62% • Total self-generated energy: 20,907 GJ
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Water Management

RT-CH-140a.1	(1) Total water withdrawn, (2) total water consumed, and (3) percentage of each in regions with high or extremely high baseline water stress	Measuring Our Progress, Appendix
RT-CH-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	Planet – Water Management

Hazardous Waste Management

RT-CH-150a.1	Amount of hazardous waste generated and percentage recycled	Measuring Our Progress, Appendix
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Community Relations

RT-CH-210a.1	Discussion of engagement processes to manage risks and opportunities associated with community interests	People – Community Involvement
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Workforce Health and Safety

RT-CH-320a.1	(1) Total recordable injury rate and (2) fatality rate for (a) direct employees and (b) contract employees	Measuring Our Progress
RT-CH-320a.2	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	People – Environmental, Health, Safety & Security (EHS&S) Policy

Management of the Legal and Regulatory Environment

RT-CH-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Profit – Our Governance
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Appendix: SDG Index

SDG Index






All UN Member States adopted the 2030 Agenda for Sustainable Development in 2015, providing a path for peace and prosperity for people and the planet. The 17 SDGs are an urgent call for action by all countries, and support from the private sector is an important piece of achieving these goals. This report reviewed the SDGs as one of the key inputs for our priority ESG topics. Our priority ESG topics relate to the following SDGs. For more information about our SDGs, visit <https://sdgs.un.org/goals>.

Sustainable Development Goals Index

People

	Community Involvement
	Human Nutrition & Health Animal Nutrition & Health Specialty Products Community Involvement
	Human Nutrition & Health Specialty Products
	Human Capital
	Human Capital
	Human Capital Environmental, Health, Safety & Security Community Involvement

Planet

	Water Management Community Involvement
	Energy Management
	Animal Nutrition & Health Product Quality & Safety Raw Material Suppliers Materials Sourcing Waste Management Water Management
	Energy Management
	UN Global Compact Participant