



FAIRMOUNT
MINERALS



EVERYONE'S TOMORROW



“If one advances confidently in the direction of his dreams, and endeavors to live the life which he has imagined, he will meet with success unexpected in common hours...If you have built castles in the air, your work need not be lost; that is where they should be. Now put the foundations under them.”

– Henry David Thoreau

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Annual Review from Chuck



Since beginning our journey in sustainable development some years ago, Fairmount Minerals has experienced a great deal of change. We have more than doubled in size and geographic reach, becoming a global company with facilities spanning the United States, Mexico, Europe and Asia. We have seen production levels skyrocket to meet rising customer demands. And we have strengthened our ability to deliver stakeholder value in ways that respect our environmental, social and economic responsibilities. Through it all, one thing remains the same: our enduring commitment to the principles of sustainable development – People, Planet and Prosperity.

In 2008, Fairmount Minerals again achieved record success, increasing the prosperity of our shareholders, employees, customers, communities and the global environment. We accomplished this through the efforts of our entire Fairmount family working together to “Do Good” and “Do Well.” With a focus on learning from the varied and diverse perspectives within our expanded organization, we completed more than 97 percent of our Bold Goals to advance environmental stewardship, community engagement and economic performance.

While other businesses struggled to perform well amidst the economic downturn that hit mid-year, Fairmount Minerals saw prosperity rise as a result of our sustainable practices. Since implementing our wellness program in 2005, we have seen individual employee health costs drop by 20 percent. Our sustainable packaging initiatives, which focus on returnable and recyclable materials, deliver \$350,000 in annual cost-savings. In addition, we firmly believe that our sustainable practices help us earn a license to operate in new communities, granting Fairmount Minerals the ability to increase production and profitability. In the next year, we plan to enhance our efforts to measure the value that sustainable development adds to our business, demonstrating that sustainable practices do not cost – they pay.

Although forecasts for 2009 predict continuing challenges in the global economy, we plan to build on our sustainable practices and market position to keep Fairmount Minerals strong. We will continue our efforts in research and development to create new environmentally friendly products to serve our customers’ needs. We will invest in our communities to help support local economies. And while we anticipate production slowdowns due to weakened demand from our key customer markets, we see an opportunity to bring more balance to our lives. The value we generate from spending time with our families and getting involved in the community has enormous paybacks in terms of personal sustainability and productivity.

We are proud of the ways in which the Fairmount Minerals family continues to exceed expectations on the job, at home and in the community. Even during tough economic times, our unwavering commitment to sustainable development helps us to see the connections amongst people, planet and prosperity that make the world a better place. With our hearts and minds aligned, we move forward together for a more prosperous future.

A handwritten signature in black ink that reads "Chuck Fowler". The script is cursive and fluid.

Chuck Fowler

THE FAIRMOUNT MINERALS FAMILY

FACILITY LOCATIONS AND EMPLOYEES BY LOCATION



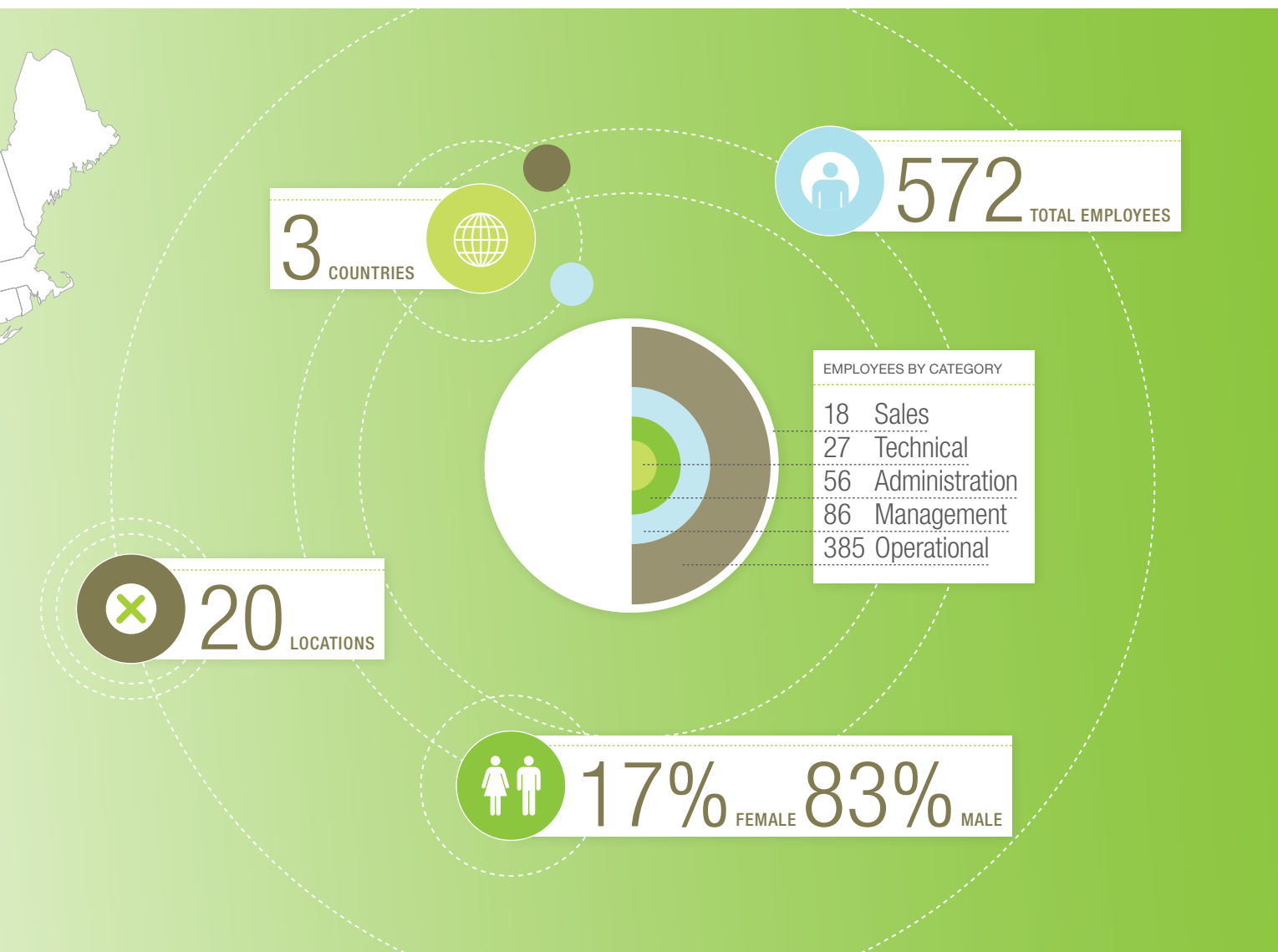
We, the Fairmount Minerals family, are united in our commitment to exceed all expectations while fulfilling our economic, social and environmental responsibilities.

Organization Profile

Fairmount Minerals, headquartered in Chardon, Ohio, is one of the largest industrial sand producers in the United States. Fairmount Minerals supplies industrial sand and related products to the foundry, oil and gas, turf and landscape, water filtration, glass, construction, industrial and retail markets.

Fairmount Minerals' global operations include twelve mining and mineral processing plants and eight manufacturing coating facilities. We also have one toll manufacturing operation in Denmark. In 2008, we opened two new global manufacturing facilities in Yixing, China, and Monterrey, Mexico, while we expanded our U.S. operations with new facilities in Wisconsin and Illinois.

Fairmount Minerals is a privately held company with significant employee ownership. In 2008, our Fairmount family included 572 talented individuals whose unique skills and expertise helped us to achieve uncommon results.



Governance Structure

Fairmount Minerals is governed by a seven-person Board of Directors, with one executive, three independent and three shareholder members. Board members are selected based on an internal review process as well as feedback from independent business partners. The Board has three standing committees – Compensation, Audit and Executive – that provide strategic counsel and oversight to the company. Our Board members act in accordance with our conflict of interest policy, which has been in existence since the formation of our Board.

Mission and Principles

Fairmount Minerals is united in our mission to “...exceed all expectations while fulfilling our economic, social and environmental responsibilities.” The following principles serve as the foundation for our vision of sustainability and reinforce our organizational commitment to operating in a way that respects and appreciates People, Planet and Prosperity.

Ethics
Safety
Health & Wellness
Leadership
Total Quality
Environmental Stewardship

Empowerment
Celebrate / Fun
Personal Excellence
Continuous Improvement
Teamwork / Shared Ownership
Social Responsibility

Report Parameters

Fairmount Minerals believes in the value of sharing information about our sustainable development practices and performance. Our annual reporting process enables us to communicate progress on goals, celebrate successes and find opportunities for improvement.

We released our first Corporate Social Responsibility report in 2007 and have fulfilled our commitment to annual reporting ever since. In addition to the full report we make available at www.fairmountminerals.com and in hard copy format, we also create an annual highlights brochure, providing fast facts about our progress for the year.

The scope of this year's Corporate Social Responsibility report includes data or activities within the Fairmount organization. All data and information are from calendar year 2008 unless otherwise noted. We do not have any restatements of information or significant changes from our previous reporting period in the scope, boundary or measurement methods applied in this report.

We recognize the importance of external reporting standards in promoting transparent and comparable disclosures on company performance. Fairmount Minerals follows

the Global Reporting Initiative (GRI) G3 Guidelines in our reporting practices. To help our stakeholders easily recognize the extent to which we have applied the G3 Guidelines in the preparation of our reports, Fairmount Minerals self-declares an application level.



Our 2008 report aligns with GRI application level A. The accuracy of our self-declaration has been verified by GRI.

We use the following G3 principles for reporting to ensure the quality of our report.

Materiality & Stakeholder Inclusiveness

Fairmount Minerals identifies and reports on sustainability issues that reflect the stated interests and needs of our primary stakeholders. We engage our key stakeholder groups through ongoing communications initiatives, community advisory councils and organization-wide summits. Our Sustainable Development Advisory Committee reviews environmental, social and economic goals set by our Sustainable Development Initiative Teams on an annual basis to ensure we are addressing our significant impacts and stakeholder concerns.

Sustainability Context & Completeness

The data and information contained within this report pertain to our environmental,

social and economic impacts. We continue to improve our reporting process to more fully address a range of sustainability issues relevant to Fairmount Minerals and our stakeholders.

Balance

Fairmount practices transparency in reporting by sharing progress updates on all sustainable development goal areas. We present favorable and unfavorable results equally and share descriptions of our performance.

Comparability

Our report follows the G3 Guidelines and includes a GRI Content Index.

Timeliness

We publish our Corporate Social Responsibility report annually in April, following the compilation of the previous year's data and performance metrics.

Accuracy & Reliability

Fairmount Minerals' senior management has reviewed and approved this report.

CONTACT

For more information on Fairmount Minerals' 2008 Corporate Social Responsibility report or sustainable development at Fairmount Minerals, please contact Kristin Lewis at sustainability@fairmountminerals.com.

REPORT APPLICATION LEVELS		C	C+	B	B+	A	A+
STANDARD DISCLOSURES	<div><div>G3 PROFILE DISCLOSURES</div><div>OUTPUT</div></div>	REPORT ON: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15	REPORT EXTERNALLY ASSURED	REPORT ON ALL CRITERIA LISTED FOR LEVEL C PLUS: 1.2 3.9 - 3.13 4.5 - 4.13, 4.16 - 4.17	REPORT EXTERNALLY ASSURED	SAME AS REQUIREMENT FOR LEVEL B	REPORT EXTERNALLY ASSURED
	<div><div>G3 MANAGEMENT APPROACH DISCLOSURES</div><div>OUTPUT</div></div>	NOT REQUIRED		MANAGEMENT APPROACH DISCLOSURES FOR EACH INDICATOR CATEGORY		MANAGEMENT APPROACH DISCLOSURES FOR EACH INDICATOR CATEGORY	
	<div><div>G3 PERFORMANCE INDICATORS & SECTOR SUPPLEMENT PERFORMANCE INDICATORS</div><div>OUTPUT</div></div>	REPORT ON A MINIMUM OF 10 PERFORMANCE INDICATORS, INCLUDING AT LEAST ONE FROM EACH OF: Economic, Social and Environmental		REPORT ON A MINIMUM OF 20 PERFORMANCE INDICATORS, INCLUDING AT LEAST ONE FROM EACH OF: Economic, Environmental, Human Rights, Labor, Society, Product Responsibility		REPORT ON EACH CORE G3 AND SECTOR SUPPLEMENT* INDICATOR WITH DUE REGARD TO THE MATERIALITY PRINCIPLE EITHER: a) Reporting on the indicator or b) explaining the reason for omission	
		* Sector supplement in final version					



External Commitments and Memberships

As members of the United Nations Global Compact, we endorse its 10 principles of human rights, labor standards, environment and ethical business practices. In 2008, we focused on educating our Fairmount family members on the principles that form our ongoing commitment to the Global Compact.

Fairmount Minerals participates in several industry, business and professional organizations to share our experiences with sustainable development and to learn from the experiences of others. The following list provides a representative sampling of Fairmount's participation in external associations, memberships and non-profit partners.

- > American Chemistry Council Crystalline Silica Panel
- > American Foundry Society
- > American Red Cross
- > American Society for Quality
- > American Society of Safety Engineers
- > Business as an Agent of World Benefit Center
- > Casting Industry Supplier Association
- > Foundry Education Foundation
- > Golf Course Builders Association of America
- > Golf Course Superintendents Association of America
- > Industrial Minerals Association of North America
- > International Society of Mine Safety Professionals
- > National Association of Manufacturers
- > National Freight Transportation Association
- > National Industrial Sand Association
- > National Plasterers Council
- > National Safety Council
- > North American Rail Shippers
- > Northwest and Southwest Michigan Sustainable Business Forums
- > Saving Birds Thru Habitat
- > Society for Human Resources Management
- > Society for Mining, Metallurgy and Exploration
- > Society for Petroleum Engineers
- > U.S. Business Council for Sustainable Development
- > U.S. Chamber of Commerce Business Civic Leadership Center
- > Western Wisconsin Land Conservancy
- > Wildlife Habitat Council

AWARDS AND RECOGNITION

Fairmount Minerals is proud to be recognized for our efforts in sustainable development. A few of our most recent honors include:

- > 2008 Entrepreneur's Edge Leading Edge Companies
- > 2007 & 2008 *Inside Business Magazine* Top Performing Companies in Northeast Ohio
- > 2008 *Smart Business* Visionary Award

Stakeholder Engagement

As a mining and mineral processing company, Fairmount Minerals engages with a variety of stakeholders to share information, learn from others' best practices and better understand the key issues that affect the people and places we touch through our business. We appreciate the important role our stakeholders play in Fairmount's ongoing success, and we work to include their valued perspectives as we make decisions about the future.

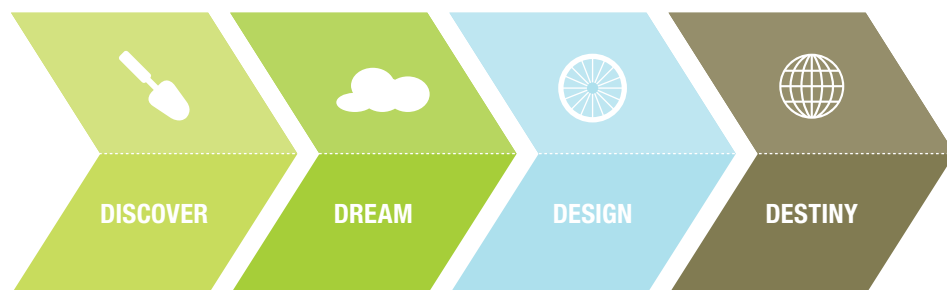
In 2008, we reinforced our commitment to sustainable development by conducting a second company-wide Appreciative Inquiry summit. Adopting an inclusive approach, we brought together more than 350 Fairmount family members, customers, suppliers, neighbors, non-profit partners and others to join us in planning for the future. We asked stakeholders about the things they valued at Fairmount Minerals and what they wanted to see from our company. We learned that our stakeholders appreciate our efforts to act in an environmentally and socially responsible manner. We also learned that they see opportunities for Fairmount Minerals to make the world a better place through sustainable products that improve environmental and social outcomes. At the conclusion of our three-day summit, we identified several projects for our initiative teams to explore in the months and years ahead, many of which can be found in our 2009 goals. We also added three new Sustainable Development Initiative Teams and refined our focus on the following topics:

- | | |
|---|---------------------------------|
| > Best Practices | > Health & Wellness |
| > Business Innovation | > QUEST Environmental Education |
| > Clean Water | > Recover, Recycle, Reuse (3R) |
| > Communications | > Safety |
| > Eco-Efficiency | > Social Responsibility |
| > Environmentally Responsible Products and Processes (ERPP) | > Sustainable Supply Chain |
| > Fairmount Minerals University | > Transportation |

New Teams

WHAT IS APPRECIATIVE INQUIRY?

Appreciative Inquiry (AI) is a change management methodology that elevates and works to understand an organization's strengths as a means for designing a positive future. The approach itself is grounded in a fundamental truth – every organization has something that works right. AI brings an organization together to identify what gives “life” to the system when it is most effective and to determine how to harness that strength for growth. The process follows four key stages – Discover, Dream, Design and Destiny – to uncover positive images for a positive future.



After finishing the company-wide Volunteer Day, Fairmount family members relax and listen to closing comments by Chuck Fowler.





“How wonderful it is that nobody need wait a single moment before starting to improve the world.”

– Anne Frank

Fairmount Minerals Chairman, Bill Conway, and a group of Fairmount family members haul brush from Wakanda Park.

In addition to the full system summit, Fairmount continues to engage stakeholders through community events and communications initiatives. When we published our online 2007 Corporate Social Responsibility report, we included a reader survey to better understand the kind of information our stakeholders found most important. We learned that stakeholders liked the format we follow in our report and find our Bold Goals section an easy reference tool. We integrated that feedback into our reporting process this year to meet and exceed our stakeholders' expectations.

We also continue our commitment to open Fairmount facilities to the local community. Every Fairmount facility hosted either an open house event or health fair in 2008. At our new facility in Menomonie, Wisconsin, we created a community advisory committee that meets regularly to discuss our local operation, its impacts on the community and topics related to sustainable development. We value the learning that takes place when we engage with our stakeholders, and we appreciate the opportunity to connect with the stakeholder groups that are important to our business.

PILLARS

3 PEOPLE, PLANET AND PROSPERITY

Strategy and Analysis

Fairmount Minerals takes a holistic view of sustainable development, seeing it as an evolving process comprised of three core pillars – People, Planet and Prosperity. We believe our commitment to generating social and environmental value enhances our ability to deliver economic value for our key stakeholders.

KEY IMPACTS

The mining and minerals industries present particular environmental and social challenges in the areas of land restoration, energy consumption and safety. Fairmount Minerals addresses these challenges through our targeted sustainable development initiatives.

In 2008, we changed the name of our executive-led Sustainable Development Steering Committee to the Sustainable Development Advisory Committee to better reflect the advisory capacity in which the group serves. The Sustainable Development Advisory Committee reviews goals for sustainable development set forth by the initiative teams and helps to prioritize environmental, social and economic responsibilities.

We strive to improve our environmental footprint by taking a proactive approach that adheres to universal standards at all of our global operations. We promote biodiversity and healthy land restoration through our extensive site planning and restoration activities. Our commitment to restore disturbed land to an environmentally viable state demonstrates our genuine interest in protecting natural habitats. Fairmount's energy conservation and renewable fuel initiatives are aimed at reducing the environmental impacts associated with greenhouse gas emissions while creating cost savings. We are working to reduce our overall energy consumption through the use of energy efficient technologies while also seeking to implement new renewable energy alternatives.

Our social commitments are reflected in our safety practices. We approach safety from a people-based perspective, identifying and mitigating risks while advancing our collective knowledge of safety behaviors. Our ultimate goal is to keep every Fairmount family member safe and healthy.

KEY OPPORTUNITIES AND RISKS

As a leader in the mining and minerals industries, Fairmount Minerals is committed to working with our peers to address the sustainability issues that are and will become most relevant to our business.


While potential regulation on greenhouse gas emissions associated with fossil fuel consumption challenges our traditional modes of operation, the opportunities to adopt less energy-intensive processes and become more energy efficient across our global facilities can offer significant cost savings. Water scarcity, an increasingly significant global issue, also presents an opportunity for Fairmount Minerals to use our expertise in water filtration technology to serve global markets in need of clean water supplies.

The economic crisis that started in 2007 and 2008 is reshaping the global economy in a way that touches every business industry. As a supplier to many basic industries, we are not immune to the economic downturn; however, we see our commitment to sustainable development as a distinct advantage in creating top-line growth and bottom-line impact.

Children of Fairmount family members pose for a picture after helping to plant trees at the Wedron facility.








Fairmount Minerals' approach to sustainable development includes the assessment of environmental, social and economic outcomes as part of decision-making processes. In developing strategies for addressing our key impacts on sustainability and proactively managing sustainability opportunities and risks, we focus on issues material to our stakeholders and to our business.







A wide-angle photograph of a park landscape. In the foreground is a large, open green field. In the middle ground, there is a calm body of water, possibly a lake or a large pond. Behind the water is a dense line of trees with vibrant autumn foliage in shades of yellow, orange, and red. The sky above is a clear, pale blue.

Wakanda Park is a ninety-acre park where 350 Fairmount family members and stakeholders volunteered for the company-wide Volunteer Day.

2008 PERFORMANCE

Building on the success we achieved in 2007, Fairmount Minerals set 57 Bold Goals for sustainable development in 2008. We met 97 percent of our targets in 2008; yet, we recognize the need to continually advance our efforts. In reporting progress on our 2008 goals, we offer a transparent snapshot of our sustainable development performance in the past year. Going forward, our Bold Goals will allow Fairmount Minerals to set new challenges and enhance our sustainable practices.

	Met or Exceeded Target
	In Progress
	More Work Required
	Positive Trend
	Opportunity for Improvement

GOAL AREA	PERFORMANCE	COMMENTS	TREND
We will be a leader in education and communication.			
1 Implement communications plan following a phased approach.		We implemented a plan that increased communications with key stakeholders.	
2 We will create and implement an employee orientation package and training plan that includes information on Fairmount's Sustainable Development initiatives.		We developed an employee orientation plan that will be implemented in early 2009.	
3 We will implement a system to track our community investment goals, volunteer hours and contributions.		We explored several third party tracking programs this year, but ultimately decided to track community investments using internal systems.	
4 Establish QUEST site committee at targeted facilities to focus on environmental education.		We developed wildlife habitat teams at every major Fairmount location.	
5 Host at least one internal environmental education activity at each facility.		Every Fairmount facility conducted an environmental education session.	
6 Partner with two other organizations to further the QUEST program and environmental education.		Fairmount partnered with several non-profit organizations to support land restoration and carbon sequestration projects.	
7 We will sponsor an intern or graduate student from a university or technical school on a subject relating to sustainability.		We hired a recent college graduate to assist with company-wide sustainable development initiatives.	
8 We will commit to a minimum of 10 outside presentations or collaborations to promote sustainable development.		Fairmount family members participated in 17 speaking engagements focused on issues related to sustainable development.	
9 Plant specific goal(s) related to education and communication.		Each facility developed specific action plans related to education and communication.	
We will be a leader in health and safety.			
10 Promote employee health by participating in the "Walk for the Health of It" Challenge. Reach a collective goal of 250 million steps in one year.		Fairmount family members far exceeded this goal, reaching our 250 million step count in early August 2008.	
11 Research and present a proposal to incorporate children into our existing wellness program.		We will implement a children's health and wellness program in 2009.	
12 Increase participation in the Wellness Program by 30 percent.		We increased the number of participants in our Wellness Program from 288 in 2007 to 429 in 2008.	
13 Achieve one million consecutive safe work hours as a company.		Our longest span of safe working hours in 2008 was 554,956 hours.	
14 Achieve an average of less than or equal to 50 percent of current permissible exposure limit (PEL) on silica dust levels by occupation for each facility.		We achieved our goal of less than 50 percent PEL on silica dust levels at every Fairmount facility.	
15 Establish a safety observation process that provides for proactive safety involvement with success measured at 500 safety observations.		We obtained 710 safety observations in the first year of our program.	
16 Ensure the health and safety of our employees and their families through implementation of the "Bringing Safety Home" initiative.		We implemented several communications initiatives focused on home and family safety topics.	
17 Perform 25 percent better than our peers on industry averages for incidence rates as a total company.		Our corporate industry rate was 3.84, compared to the industry average rate of 2.9.	
18 Develop a health and safety checklist for all on-site and off-site events, projects and volunteer opportunities.		We created a safety pamphlet that was distributed to all facilities for use at on-site and off-site events.	

GOAL AREA	PERFORMANCE	COMMENTS	TREND
19 Complete a cooperative assistance visit at all terminals (where granted access) to evaluate performance with respect to permits, safety and environment.	🟢	We visited all terminals where we were granted access and conducted a safety and environmental performance review.	⬆️
20 Plant specific goal(s) related to health and safety.	🟢	Every facility created goals and implemented action plans related to health and safety.	⬆️
We will invest our time, talents and treasure to enhance our communities both locally and globally.			
21 We will donate a minimum of 1.5 percent pre-tax earnings through financial, volunteer and in-kind support to tax-exempt organizations.	🟢	We exceeded our goal by donating 1.59 percent of our pre-tax earnings to charitable organizations.	⬆️
22 Each plant will donate a minimum of 0.25 percent of their pre-tax earnings through financial, volunteer and in-kind support to tax-exempt organizations.	🟢	Seventeen out of 18 plants met or exceeded their individual community investment targets.	⬆️
23 We will achieve 100 percent participation in employee paid volunteerism (every employee providing at least one paid volunteer hour).	🟡	Eighty-seven percent of our Fairmount family contributed volunteer time to a charitable cause.	➡️
24 We will achieve 6,000 paid volunteer hours.	🟢	We achieved in excess of 8,000 paid volunteer hours.	⬆️
25 We will establish a Fairmount Foundation and have it operational in 2008.	🟢	We started the Fairmount Foundation and began making charitable donations in early 2008.	⬆️
26 We will create a Community Investment Disaster Relief team.	🟢	We formed a sub-committee of the Social Responsibility team to focus on creating a disaster relief plan.	⬆️
27 Plant specific goal(s) related to community investment.	🟢	Our facilities supported local community initiatives with financial donations and volunteer support.	⬆️
We will promote and support a healthy balance between community involvement, work and family.			
28 Support and educate our Fairmount family in the areas of health and well-being. Improve our measurements in the four primary risk factors that affect our family's health status: nutrition, physical activity, body weight and stress.	🟡	Although we conducted health fairs and provided information about health and well-being to our Fairmount family members, we were unable to track progress in the risk factor areas.	➡️
29 Plant specific goal(s) related to work-life balance.	🟢	Every facility developed individual action plans related to work-life balance.	⬆️
We will optimize assets and conserve resources.			
30 Establish a baseline on fuel consumption for Fairmount Minerals shipments and develop a tracking system.	🟢	We created a process for measuring fuel usage for inbound and outbound shipments.	⬆️
31 Identify lanes of travel and increase average tons per rail car load.	🟢	We increased tonnage per rail car load by 4 percent.	⬆️
32 Increase the amount (quantity) of recycled, recyclable or re-useable raw material in finished goods packaging by 5 percent.	🟢	We increased the percentage of recycled content in packaging by 5 percent by switching to recycled slipsheets and reconditioned pallets.	⬆️
33 Establish plant recycling teams at new FML facilities.	🟢	We established recycling teams at every new Fairmount facility.	⬆️
34 Establish and measure plant process waste including packaging waste, general waste and office/lab waste by facility. Resin Plants will reduce waste sand by 5 percent from 2007 baseline.	🟢	Our resin-coating facilities reduced waste by at least 5 percent while our other facilities established a system to measure all waste streams.	⬆️
35 Identify and evaluate three markets for a spent foundry sand processing facility.	🟢	We evaluated opportunities in four geographic markets and will continue to search for partnership opportunities with customers to recycle spent sand products.	⬆️
36 Identify customer waste streams to increase recover, recycle and reuse on products we supply.	🟢	We worked with customers to identify waste streams and implemented a packaging waste reduction project with an automotive customer.	⬆️
37 Eliminate bottled water at each facility by implementing water purification technology.	🔄	Fairmount Minerals installed or is in the process of installing water filtration coolers in all but two facilities.	⬆️
38 Install and commission meteorological tower at the Wedron facility to study wind energy opportunities.	🟢	We installed the meteorological tower in July 2008 and will complete necessary data collection in June 2009.	⬆️
39 Complete a hydro power feasibility study for Fox River Dam.	🟢	We completed the feasibility study in 2008 and continue to investigate how hydro power might become a viable energy source for Fairmount.	⬆️
40 Complete a cogeneration feasibility study for Chardon.	🟢	We completed this feasibility study with an outside partner and will make a determination about moving forward in 2009.	⬆️

GOAL AREA	PERFORMANCE	COMMENTS	TREND
41 Add water management to local energy profile baseline.	🎯	We developed a process for measuring water consumption and will make 2009 our baseline year for collection.	⬆️
42 Complete investigation of the benefits of purchasing "green energy" (up to 20 percent of total energy purchase) at each location.	🎯	We conducted research into purchasing "green energy" from local providers, but decided to invest in developing our own renewable energy.	⬆️
43 Formalize and implement five company-wide energy conservation initiatives.	🔄	We identified five conservation initiatives and are in the process of implementing them across the organization.	⬆️
44 Best Practices Mining, Resin and Bulk Loading teams to visit facilities and make recommendations for improvement.	🎯	We visited Fairmount facilities and implemented two projects based on Best Practice team recommendations.	⬆️
45 Plant specific goal(s) related to optimization and conservation.	🎯	All facilities created individual projects related to resource optimization and conservation.	⬆️
We will be a leader in the development of sustainable products and processes.			
46 Identify, track and measure the carriers using biodiesel by amount and percentage of mix in biodiesel. Create ways to partner/encourage use of identified carriers.	🎯	We worked with our transportation partners to identify biodiesel usage. One of our main carriers in Wisconsin made the switch from diesel to biodiesel fuel.	⬆️
47 Implement new Sustainable Supplier Code of Conduct for inventory purchases.	🎯	We sent our new Sustainable Supplier Code of Conduct to all inventory suppliers and began to identify sustainable sources.	⬆️
48 Each Fairmount facility will implement at least one project to reduce PM/PM10 levels by October 31, 2008.	🎯	Every Fairmount facility implemented at least one project, and we reduced particulate matter levels across the organization.	⬆️
49 Reduce company-wide greenhouse gas emissions by 1.5 percent in 2008 (using 2006 as baseline) on a per unit basis by facility.	🎯	We exceeded our goal and reduced greenhouse gas emissions by more than 3 percent over our 2006 baseline.	⬆️
50 Identify the top five invasive plant species for each U.S. Fairmount location and apply information to carbon sequestration efforts.	🎯	We identified invasive species and developed an informational brochure to help facilities when conducting carbon sequestration and restoration efforts.	⬆️
51 Reduce HAPs by 25 percent on a per unit basis from 2006 levels.	🎯	We exceeded our goal and reduced hazardous air pollutants (HAPs) by more than 30 percent.	⬆️
52 Reduce the criteria pollutant "ammonia" by 25 percent on a per unit basis from 2006 levels.	🟡	We reduced ammonia levels by 22 percent in 2008 compared to 2006 baseline.	⬆️
53 Introduce three new sustainable products or processes to benefit new or existing markets.	🎯	We introduced five new products and processes in 2008.	⬆️
54 We will formalize a licensing agreement to expand the use of our sustainable products globally and implement with at least one user.	🔄	We initiated the process of establishing licensing agreements with several users.	⬆️
55 In partnership with the Aqua Clara Foundation, we will complete the installation of 1,000 CBCR (chemical biochemical reactors) in designated underdeveloped nations by December 2008.	🎯	In partnership with Aqua Clara, we installed 1,049 water filtration units (chemical biochemical reactors) in 2008.	⬆️
Plants to support goals related to sustainable products and processes.			
We will exceed our annual growth-oriented financial plan.			
56 Achieve economic performance aligned with annual financial plan.	🎯	We achieved records sales and profits in 2008.	⬆️
Plants to support goals related to financial performance.			
We will continue to embrace and share the principles of the UN Global Compact as we expand internationally.			
57 We will increase company knowledge by educating our employees on the principles of the UN Global Compact and the Center for Business as an Agent of World Benefit (BAWB).	🎯	We completed educational presentations on the UN Global Compact at every Fairmount Minerals facility.	⬆️
Plants to support goals related to UN Global Compact membership.			



“Teamwork is the ability to work together toward a common vision. The ability to direct individual accomplishments toward organizational objectives. It is the fuel that allows common people to attain uncommon results.”

– Andrew Carnegie

2009 BOLD GOALS

Much of our work in 2008 focused on maintaining an inclusive perspective while experiencing geographic expansion. To that end, we brought our entire organization together to help define goals for the future. The result of our company-wide summit included a refined sustainable development team list with three new teams. Those teams each identified several goals for 2009, and we set 63 Bold Goals for this year.

Our 2009 Bold Goals cover everything from land restoration to work-life balance. A key theme of our work this year involves measurement and quantification. While we have always believed in the inherent value of our sustainable development efforts, we look forward to helping others understand the metrics that help quantify the value of a sustainable approach.

We will be a leader in education and communication.

- 1 Establish video conferencing capability and host at least one video conference session in each Fairmount region.
- 2 Create a section on the current intranet site where Fairmount family members can share information.
- 3 Create a repository for paper-based mailing data.
- 4 Perpetuate environmental education by partnering with one educational organization in each of our five regions.
- 5 Host at least one Community Investment Fair per region with family members, local businesses and non-profits.
- 6 Create a signature sponsorship program.
- 7 Each of our five regions will partner with at least one local business for a Fairmount-sponsored corporate social responsibility activity.
- 8 Complete the Fairmount Minerals Disaster Relief Policy and establish at least one pilot team.
- 9 Develop talent following a four-phase approach:
 - A. Identify core leadership competencies;
 - B. Perform a technical/leadership analysis;
 - C. Establish annual budget for program development and implementation;
 - D. Establish a pilot program.
- 10 Establish mission and vision for Fairmount Minerals University.
- 11 Plant support of education and communication sustainable development initiatives.

We will be a leader in health and safety.

- 12 Implement a children's wellness program and establish a pilot in the Illinois region.
- 13 Achieve one million consecutive safe work hours as a total company.
- 14 Perform 25 percent better than our peers on industry averages for incidence rates as a total company.
- 15 Establish a safety observation process that provides for proactive safety involvement at 50 percent of our operating facilities.
- 16 Plant support of health and safety sustainable development initiatives.

We will invest our time, talents and treasure to enhance our communities locally and globally.

- 17 We will donate a minimum of 1.5 percent of our 2009 pre-tax earnings through financial, volunteer and in-kind support to 501c-designated, tax-exempt organizations.
- 18 Each plant will donate a minimum of 0.25 percent of their pre-tax earnings through financial, volunteer and in-kind support to 501c-designated, tax-exempt organizations.
- 19 We will achieve 100 percent participation in employee paid volunteerism.
- 20 We will achieve 10,000 paid volunteer hours.
- 21 We will achieve 500 volunteer hours from Fairmount Family members' families (spouses, children, significant others) in Fairmount-sponsored community events.
- 22 Plant support of community sustainable development initiatives.

We will promote and support a healthy balance between community involvement, work and family.

- 23 We will implement a "Know Your Numbers" awareness campaign with 80 percent of all employees learning their biometric values.
- 24 We will implement the "Pound for Pound" Challenge.
- 25 Plant support of work-life balance sustainable development initiatives.

We will optimize assets and conserve resources.

- 26 Identify a maintenance management system and implement at one site in each of the five regions.
- 27 Identify three to five production, quality and safety best practices and implement at each manufacturing facility.
- 28 The Loading Best Practice team will develop and implement a blending program at targeted sites to improve loading times by 10 percent.
- 29 The Mining Best Practice team will make three improvement recommendations at targeted sites based on their best practice observations.
- 30 We will complete the wind turbine project feasibility study and planning.
- 31 Each site will develop a high-efficiency motor replacement plan.



- 32 We will introduce three new sustainable manufacturing products and/or processes.
- 33 Implement three new company-wide technologies to increase energy conservation.
- 34 Reduce hazardous air pollutants (HAPs) in the resin coating facilities by 15 percent based on 2008 data.
- 35 Reduce greenhouse gas emissions by 2.5 percent in 2009 on a per unit basis by facility based on 2006 baseline.
- 36 Meet Fairmount's carbon mitigation plan annual requirements.
- 37 Every 3R (Recover, Recycle, Reuse) plant team will establish six specific plant goals. Cost savings or economic value generated from waste stream reductions will be tracked monthly.
- 38 Pursue partnership arrangement with composters to recover spent foundry sand from customers for beneficial reuse.
- 39 Identify a minimum of three projects to utilize heat recovery methods at Fairmount plants to recycle heat and reduce utility costs.
- 40 Establish partnerships with key customers and suppliers to increase 3R focus by making at least 15 presentations.
- 41 Create a 3R/Sustainable Supply Chain team sub-committee to investigate packaging options to reduce waste streams.
- 42 Promote recycling projects and programs and use collection containers in communities where we operate. Each plant location will establish two or more activities to support this goal.
- 43 Identify and select an ERP software and/or third party for railcar equipment management.
- 44 We will participate in proposed government legislation to increase allowable maximum weights on over-the-road carriers. Improve net weights of truckloads between Menomonie and our Wheeler transload by 3 percent.
- 45 Identify routes and procedures needed to optimize 10 percent of the transportation between our industrial and manufacturing plants and terminals.
- 46 Three Fairmount sites will formalize land restoration plans.
- 47 Develop a plan for controlling invasive species at each Fairmount facility.
- 48 Plant support of conservation sustainable development initiatives.

We will be a leader in the development of sustainable products and processes.

- 49 Review revolutionary innovation programs as applied to business.
- 50 Design a sustainable innovation program for Fairmount, including an innovation center concept and a process for innovation input from all facilities.
- 51 Complete a water market survey to identify segments in which we might "Do Good and Do Well."
- 52 Coordinate minimum of three joint meetings with water filtration partners.
- 53 Place 2,009 AquaClara water filtration units in the field.
- 54 Develop a new Fairmount Minerals/AquaClara system that reduces heavy metal contaminant levels in drinking water.
- 55 Increase the amount (quantity) of recycled, recyclable or re-useable raw material in finished goods packaging, impacting a minimum of 10,000 units.
- 56 Create a Customer Bulk Bag Reuse Program and strategically implement with two customers.
- 57 Plant support of sustainable products and processes initiatives.

We will demonstrate that sustainable development pays.

- 58 We will demonstrate that sustainable development pays through value creation and cost saving measures.
- 59 Our annual 2009 healthcare spend will be 10 percent below industry trend.
- 60 Plant support of sustainable development pays initiatives.

We will continue to embrace and share the principles of the UN Global Compact as we expand internationally.

- 61 Fairmount to sponsor one regional UN Global Compact meeting.
- 62 Obtain sustainability surveys from suppliers who represent at least 50 percent of our 2008 non-inventory spend.
- 63 Plant support of UN Global Compact initiatives.

PEOPLE

OUR FAIRMOUNT FAMILY

The people who make up the Fairmount family are also our greatest asset. We rely on their expertise, imagination and knowledge to drive the growth of our business. Providing an engaging workplace for our 500-plus employee family is key to our ongoing success. To accomplish this, we focus on providing comprehensive and competitive compensation and benefits, recognizing exceptional performance, and developing skills and abilities throughout our organization.

EXCEPTIONAL WORKPLACE

At Fairmount Minerals, we believe our success depends upon the dedication of our people. Because we value each of our family members, we strive to make Fairmount a meaningful and rewarding workplace. We commit to paying our employee family a living wage that supports their personal prosperity and that of their families. We also offer benefits to full-time employees including medical coverage, a wellness incentive program, education assistance, and various retirement plans. In an industry with traditionally high turnover rates, our 86.5 percent retention rate is better than industry averages, which range closer to 67 percent.

TRAINING AND DEVELOPMENT

Supporting employee education and professional growth makes Fairmount Minerals a rewarding place to work. We invest in training and development initiatives to help our employees enhance the skills and technical competence they need to meet their own professional goals as well as organizational demands in an increasingly competitive industry. In 2008, Fairmount invested more than \$340,000 in education and training opportunities for our employee family by reimbursing undergraduate, graduate and continuing education program fees.

In 2009, we will embark on a new education initiative – Fairmount Minerals University. Our ultimate goal is to establish a training center that internal and external stakeholders can use as a resource for increasing knowledge about sustainable development. In the next year, we will explore how to build and utilize Fairmount Minerals University as a talent development asset and identify the full scope of the initiative.

“Alone we can do so little; together we can do so much.”

– Helen Keller



The Fairmount Minerals family at the Best Sand/Fairmount Minerals 30th anniversary on October 11, 2008.

EMPLOYEE AWARDS AND RECOGNITION

Fairmount seeks to celebrate the achievements of our employee family and their commitment to delivering on our company values. Our employee awards and recognition program gives our Fairmount family the ability to recognize one another for exceptional performance. We encourage Fairmount family members to submit peer nominations for excellence in sustainable development throughout the year, and an external committee recommends finalists for the annual Sustainable Development Employee of the Year distinction. Our 2008 winners include:

BEST SAND

Cristine Lewis

BRIDGMAN RESIN

Cheryl Oldenburg

CACM

Roy Closs

CORPORATE/ ADMINISTRATION GROUP

Kristin Lewis

LAKESHORE SAND

Mirsada Suljic

MINERAL VISIONS

Kurt Jeppson

SALES/CUSTOMER SERVICE GROUP

Brenda Wright

STANDARD SAND

Tim Campbell

TECHNISAND ROFF

Carolyn Rich

TECHNISAND TROY GROVE

Nancy Spitz

TECHNISAND WEDRON

Jack Showen

TECHNOLOGY GROUP

Kelley Kerns

WEDRON SILICA

Dan Buckley*

WEXFORD SAND

Roger Evens

WISC HAGER CITY/BAY CITY

Cheryl White

WISC MENOMONIE

Mavis Anderson



NUMBER OF EMPLOYEES

500+



FAIRMOUNT RETENTION RATE

86.5%



TYPICAL INDUSTRY RETENTION RATE

67%



FAIRMOUNT INVESTMENT IN EDUCATION AND TRAINING OF EMPLOYEES

\$340,000



SUSTAINABLE DEVELOPMENT AWARD WINNERS FOR 2008

16



*BILL CONWAY FOUNDERS AWARD

Our annual Bill Conway Founders Award is granted to the Fairmount family member who embraces the ideals and principles of community impact through a personal contribution of time, talent and treasure. In 2008, our highest employee honor went to Dan Buckley from our Wedron, Illinois facility. In addition to his work and family commitments, Dan devotes time to several volunteer initiatives, including Special Olympics, local elementary school athletics and United Way projects. One of his most significant volunteer activities involves teaching children about outdoor activities through group tours and camping trips. Dan leads student groups on backpacking adventures where kids learn about the basics of ecology and outdoor living.

With this award, we recognize Dan Buckley's exceptional dedication to championing sustainable development both personally and professionally.

Dan Buckley, Fairmount Minerals' 2008
Bill Conway Founders Award winner.

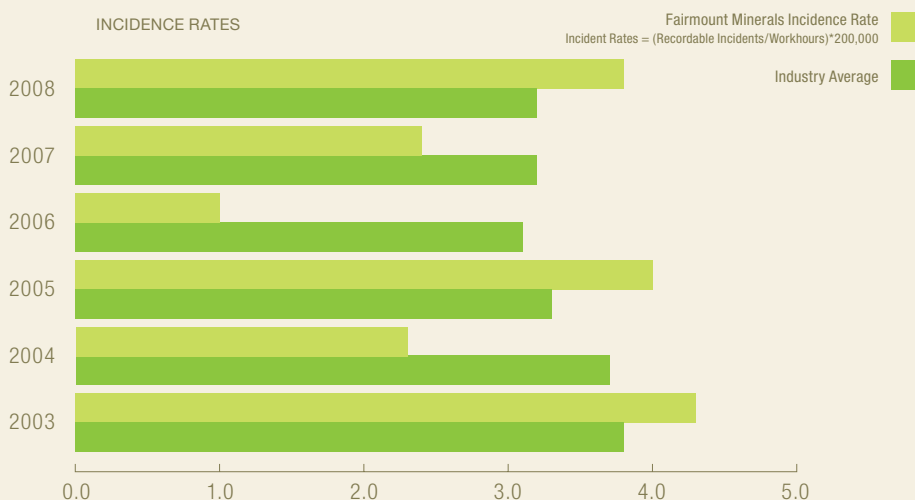
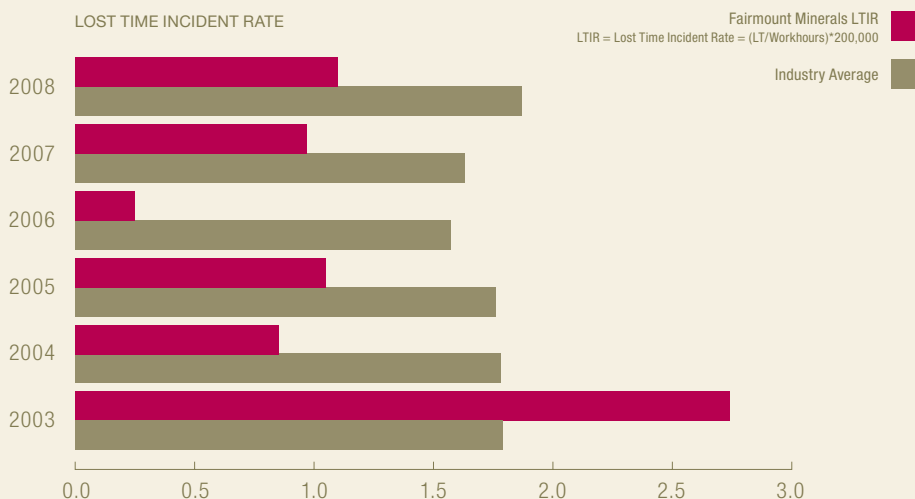


SAFETY

The value we place on our employee family is reflected in the safety culture we work to create each and every day at Fairmount Minerals. Our ongoing goal is to keep our employees safe and healthy at work and at home. With a focus on heightened awareness, training and a new peer-based observational safety program, Fairmount Minerals works to keep safety a top priority for every Fairmount family member.

We follow a people-based safety approach that identifies, evaluates and prioritizes risks while acting to correct and prevent them. In 2008, we enhanced our Health and Safety management system, making it both International Organization for Standardization (ISO) 18000 and Occupational Health and Safety Assessment Series (OHSAS) 18001 compliant. We also added regional health and safety coordinators to provide hands-on support in the implementation of our Health and Safety management system. Our new regional coordinators provide training, lead safety meetings, and act as federal, state and local liaisons.

In 2008, we piloted a new observational safety program at our Technisand (Roff, Oklahoma) and Best Sand (Chardon, Ohio) facilities. This proactive program encourages peer-to-peer communication by helping to identify safe behaviors. Hourly staff and managers write up safety “observations” to highlight exceptional performance or to uncover risky behavior. The anonymous observations are collected and addressed during regular safety meetings. By submitting observations, Fairmount family members earn “safety dollars,” which can be used toward the purchase of facility-wide safety rewards such as smoke detectors, fire extinguishers or weather radios for home. We made 710 observations during the pilot phase in 2008 – far exceeding our goal of 500.



Local children attend the WISC - Menomonee School Tour.



Fairmount family members get to work during the Mineral Visions Volunteer Day.



Fairmount family members, wearing the proper personal protective equipment, install \$20,000 worth of playground equipment on Volunteer Day.

We experienced six lost time accidents in 2008 and a corporate incidence rate of 3.84. Although this rate is higher than the industry rate of 2.9, we commit to improving our safety performance, with the ultimate goal of 100 percent safe working hours. Our longest stretch of company-wide safe working hours in 2008 exceeded 550,000. Individual facilities celebrated remarkable safety performance results, with Best Sand (Chardon, Ohio) achieving its second consecutive safe working year and Best Sand (Beaver, Ohio) marking 10 years as a safe workplace. Our Lakeshore Sand facility in Hamilton, Ontario, reached a significant safety milestone in 2008 with over 5,000 safe working days (more than 13 years).

A core attribute of our safety efforts is grounded in engaging our Fairmount family. Seventeen percent of our workforce

participates in formal safety committees at every Fairmount location. In addition, five Fairmount family members completed the required coursework and training to become Certified Mine Safety Professionals (CMSP). This unique achievement reflects the strong commitment to safety our associates possess.

In 2009, we plan to implement new software to help track our safety training activities. Safety training at Fairmount Minerals is a requirement for every associate. On average, employees received at least eight hours of safety training with sessions at all areas of operation. Our goal is for every Fairmount family member to become First Aid and cardiopulmonary resuscitation (CPR) certified. In the next year, we plan to offer First Aid and CPR training to all Fairmount employees and their families.

Beyond the health and safety measures we take at Fairmount facilities, we advanced our commitment to supporting healthy and safe behaviors outside the work environment. We implemented our “Bringing Safety Home” program in 2008, creating resources and materials that covered home safety topics such as bicycle safety, child internet safety and “stranger danger.” We also conducted community outreach activities, inviting student groups to Fairmount facilities to learn about safety. We used these and other opportunities to distribute the National Safety Council’s Family Safety & Health magazine and a weekly Fairmount safety newsletter.

LAKESHORE SAND
HAMILTON, ONTARIO

13 YEARS SAFE

BEST SAND
BEAVER, OHIO

10 YEARS SAFE

2008 COMPANY-WIDE
SAFE WORKING HOURS

550,000



VOLUNTARY EMPLOYEE
PARTICIPATION IN HEALTH AND
WELLNESS PROGRAM

75%



HEALTH AND WELLNESS

To move confidently in the direction of a prosperous future, we rely on healthy, thriving Fairmount family members. We are committed to enhancing the health and well-being of our employees and their families through a comprehensive wellness program. Our approach focuses on three key objectives:

Improve physical and mental health

Reduce health risks

Manage health-related costs

While we support health and wellness because it is the right thing for our employees, we also see business benefits. Individual employee health costs dropped 20 percent since implementing our wellness program in 2005. That reduction is compared to an average increase of up to 38 percent for U.S.-based businesses.

In 2008, more than 75 percent of Fairmount's employee family participated in our voluntary wellness program. The program offers resources such as smoking cessation tools, gym membership reimbursements, personalized care plans, bi-annual physicals and more to help address key health issues. We also continue to provide Life Line Screenings to Fairmount family members and their spouses to ensure they are aware of specific health risks, such as stroke, aneurysm, heart disease and diabetes.

Every year, we host several health fairs at Fairmount facilities. Focusing on four key wellness indicators – nutrition, exercise, weight management and stress reduction – these fairs provided resources such as on-site blood pressure tests, sports medicine information and nutrition tips.

Fairmount's commitment to supporting our family members is demonstrated through the unique health-related benefits we offer. We introduced a new program last year that grants financial assistance to every Fairmount

family member to support fertility-related medical costs or adoption fees. We also offer a robust disease management program that connects our Fairmount family members to important information and resources related to chronic conditions such as asthma, diabetes, heart conditions and premature birth. Further, we provide an employee assistance program that supports physical, mental and financial well-being through counseling, financial planning and legal assistance.

Going forward, we intend to expand our wellness initiatives to reach the children of our Fairmount family and our local communities. We recognize that family life outside of Fairmount has an impact on our performance while at work. In 2009, we will implement a health and wellness program at a pilot site for children grades K through 12 (and up to age 23, if enrolled in college) that promotes healthy lifestyles and rewards successes. Children of Fairmount family members will receive points for various health-related activities and may use those points for prizes such as gift certificates and gym memberships each year. The ultimate goal is to help our Fairmount family members' children to live healthy, successful lives.

FAIRMOUNT INDIVIDUAL EMPLOYEE
HEALTH COSTS SINCE 2005

20% ↓
DROP

NATIONAL AVERAGE INDIVIDUAL
EMPLOYEE HEALTH COSTS

38% ↑
RISE

LABOR PRACTICES AND HUMAN RIGHTS

As our business becomes increasingly global in scope and our employee family expands into new geographies around the world, we will maintain the same high standards for ethical practices and human rights in all of our global facilities. Fairmount's Code of Ethics, which is translated into the primary languages where Fairmount has a significant presence, outlines our expectations on issues related to ethical business practices and labor standards.

We respect and exceed expectations with regard to all national laws and international human rights norms. Our policies and management practices reflect the values that underpin these laws and norms. As a fundamental principle, we do not employ children or support the use of child labor; nor do we use or support forced labor of any kind. As a member of the UN Global Compact, we promise to support and respect the protection of internationally proclaimed human rights within our sphere of influence.

We also recognize and respect the freedom of individual Fairmount family members to join, or refrain from joining, legally authorized

associations or organizations. We follow the Worker Adjustment and Retraining Notification Act (WARN Act) relative to employees affected by layoffs or plant closings.

Finally, we value and embrace the cultural differences that make Fairmount Minerals a unique and rewarding place to work. Our goal is to attract and retain the best people from all cultures and segments of the population based on ability. Our equal opportunity policy requires that all Fairmount family members are treated with respect, dignity and are free from discrimination or harassment of any kind.

EMPLOYEE RACE/ETHNICITY

84%	WHITE/CAUCASIAN	3%	ASIAN
11%	HISPANIC/LATINO	2%	OTHER

Fairmount family members with a local Saltillo, Mexico, resident pose for a picture after installing clean water filtration units.



COMMUNITY INVESTMENT

Thriving communities help pave the way for a brighter, more prosperous future. At Fairmount Minerals, connecting with our communities is vitally important to supporting our business sustainability – and making a difference in the world. In 2008, we continued our legacy of social responsibility by lending a helping hand to the people and places that contribute to our prosperity.

With the establishment of the Fairmount Minerals Foundation in 2008, we created new opportunities to strengthen our grant-making and apply a strategic lens to our charitable giving. Fairmount’s social investment policy, FairSharing, guides our actions with respect to charitable donations and corporate volunteerism. To increase participation in FairSharing in 2008, we enhanced communications to focus on helping our Fairmount family members better understand the community engagement opportunities available to them. As a result, we saw employee volunteerism jump nearly 44 percent from 2007 to include more than

8,500 paid volunteer hours. We also saw broader participation, with 87 percent of our employee family contributing time to important causes. Many of these volunteer hours were logged during our company-wide Volunteer Day in Menomonie, Wisconsin, as well as individual facility Volunteer Day events. Family members participated in activities such as installing play equipment, fixing up local school grounds and getting other local businesses involved in cleaning the port area near one of our facilities.

Another way in which we provide community support is through financial contributions and product donations. In 2008, Fairmount Minerals donated 1.59 percent of our pre-tax earnings to organizations supporting education, health and wellness, and the environment. As part of our corporate giving this year, we donated a significant portion to local foodbanks to help families in our communities receive emergency food assistance.

Separate from our corporate contributions, we raised an additional \$73,000 for the Geauga County United Way through our annual Bill Conway Founders Charity Golf Classic in September 2008. Fairmount

employees raised more than \$42,000 for the American Cancer Society through Relay for Life and other initiatives.

Fairmount family members also engaged in the community outside of our corporate efforts. Thirty-one percent of our employee family donated more than 4,200 hours of personal volunteer time – above and beyond that which is tracked through paid volunteer activities – to charitable causes and organizations. Our goal in the next year is to get Fairmount employees and their families together to share in volunteer engagements.

Finally, because we view education as a vital component to strong communities, we continued our support of scholarship and education-related initiatives last year. We awarded five \$5,000 scholarships to children of Fairmount employees who demonstrated a commitment to sustainable development. We also contributed funds to Ottawa High School, near our Wedron, Illinois, facility, to help students start a recycling program. Fairmount family members got involved to help high school students learn about reducing waste through recycling and reuse.

	EMPLOYEE VOLUNTEER PARTICIPATION		PERCENTAGE OF PROFITS DONATED TO CHARITY		HOURS VOLUNTEERED		TOTAL FIVE
	87%		1.59%		12,700		\$



AQUA CLARA IN MEXICO

Since 2006, Fairmount Minerals has partnered with the Aqua Clara Foundation to deliver water filtration technology to developing countries. In November 2008, a team of Fairmount family members and Aqua Clara Foundation partners traveled to Saltillo, Mexico, to install more than 40 water filtration units and bring clean water to the region. The team spent three days working with local residents to show them how to construct and operate the water filtration technology.

Fairmount also helped fund the installations of more than 960 units in Haiti, Kenya, Honduras, Peru and Mexico in 2008. With the trip to Saltillo, the team exceeded its goal of installing more than 1,000 units and helped to reduce residents’ exposure to preventable water-borne diseases like typhoid, cholera and dysentery.



VOLUNTEER DAY

As part of our company-wide summit in October 2008, Fairmount Minerals brought all 350 summit participants together in Menomonie, Wisconsin to help improve a local park. Armed with rakes, paint brushes, trowels and more, teams of volunteers cleared brush, laid sod, installed playground equipment and painted picnic tables to bring a 90-acre park and recreation area back to its former glory. We donated new playground equipment and, at the end of the day, delivered more than \$50,000 worth of work to a park district in one of our newest facility locations.

Working side-by-side, Fairmount family members spent time outside of the work environment with their colleagues and made new friends in the process. The benefits from the Volunteer Day cannot be measured in the time we invested alone; real value came back to Fairmount Minerals in the form of new relationships and strengthened friendships that emerged as a result of our coming together.

VALUE OF
SCHOLARSHIPS OFFERED

25,000



WATER FILTRATION UNITS
INSTALLED

1,040

COMMUNITY INVESTMENT (PERCENTAGE OF DOLLARS INVESTED)



“What do we live for, if not to make life less difficult for each other?”

– George Eliot

Fairmount family members install clean water filtration units in Mexico.

PLANET

Now more than ever, businesses, individuals, governments and more must come together to promote environmental sustainability. At Fairmount Minerals, we strive to operate in a way that respects environmental integrity and promotes a clean and healthy future. Because our business has an inherent environmental impact, we acknowledge and embrace the role we play in delivering products and processes that improve environmental outcomes.

Our approach to environmental responsibility involves a comprehensive environmental management system and volunteer-based initiative teams that focus on projects such as energy conservation, land restoration, recycling and water filtration. The teams report to our Sustainable Development Advisory Committee, which provides counsel to all of Fairmount's sustainable development initiatives.

In 2008, we achieved ISO14001 environmental management system certification at seven Fairmount facilities. The ISO14001 management system is the framework we follow to ensure we act with the highest degree of responsibility and transparency in our environmental practices.

ENERGY AND CLIMATE CHANGE

Climate change associated with fossil fuel consumption represents an increasingly important environmental challenge. Fairmount Minerals is committed to reducing our carbon footprint through energy conservation and the adoption of renewable fuel technologies. As global energy demands continue to rise, we must do all that we can to minimize our impact by reducing energy consumption and identifying clean fuel sources.

In 2008, energy champions at every Fairmount facility helped monitor electricity and fuel usage to identify areas for conservation. Our energy conservation activities range from investing in best available technology to reducing cycle times from loaders to dryers. In following with our goals for 2008, we began implementation of five company-wide energy conservation activities, including:

- > Replacing standard electric motors with high-efficiency models
- > Improving variable frequency drives to allow for changes in energy intensity
- > Replacing old lighting with energy efficient bulbs
- > Installing motion detection systems and programmable thermostats
- > Identifying efficiency opportunities in water management systems

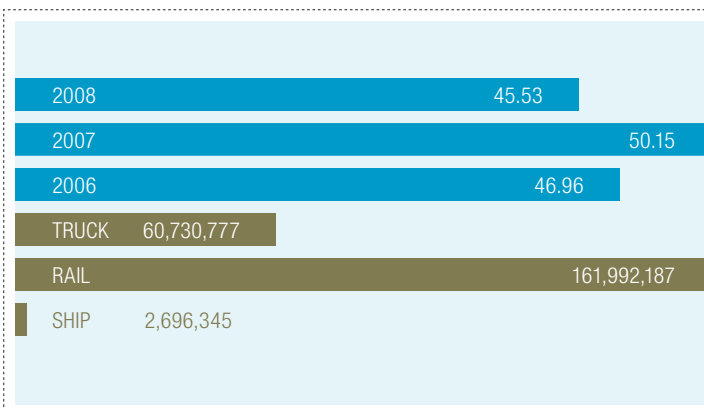
Of the technology investments we made to improve energy efficiency, we are beginning to see efficiency paybacks. The fluid bed dryer we installed at our new Menomonie, Wisconsin, facility is up to 45 percent more efficient than traditional rotary dryers, delivering both energy improvements and cost savings.

In 2008, we increased our efforts to reduce the amount of energy consumed through transportation. Working with transportation partners, we identified opportunities to improve fuel consumption. In Menomonie, Wisconsin, we worked with one of our major carriers to make the switch to biodiesel fuel and, as a result, a local gas station began offering biodiesel to supply the new demand. We also increased the amount of sand we load in a portion of our utilized railcars by 4 percent, effectively reducing the number of railcars needed to operate on certain routes.

At our Technisand facilities in Wedron, Illinois, and Fresno, Texas, we are exploring heat recovery systems that take heat from our thermal oxidizers (which burn off emissions from the manufacturing process) and use it to supplement the natural gas used to heat and dry the sand. Our goal is to identify a minimum of three heat recovery projects in the next year to help reduce energy consumption.

FUEL USE BY TYPE

	2006	2007	2008
20% BIODIESEL gallons	147,010	148,784	195,676
5% BIODIESEL gallons	249,766	227,089	147,919
DIESEL #2 gallons	128,994	176,417	439,122
ELECTRICITY kW-hr.	62,320,809	72,488,255	73,729,165
FUEL #400 gallons	432,783	363,278	264,631
GASOLINE gallons	17,187	24,799	26,580
LIQUID PROPANE gallons propane	1,286,373	1,543,954	1,921,045
NATURAL GAS Mcf	639,753	786,613	1,010,499



GREENHOUSE GAS EMISSIONS (CO₂ EQUIVALENTS)
Data reported on a pound per ton produced basis

GREENHOUSE GAS EMISSIONS FROM TRANSPORTATION
(POUNDS OF CO₂ EQUIVALENTS)

These figures represent Scope 3 greenhouse gas emissions as defined by the WRI/WBCSD Greenhouse Gas Protocol. While Fairmount Minerals does not calculate these emissions as a part of our total direct and indirect greenhouse gas emissions, this data from our transportation suppliers helps us to better understand the environmental impacts associated with transporting our products and materials.

TOTAL FUEL USE BY FACILITY (MMBTU EQUIVALENT)

	2007	2008
BEST SAND - BEAVER	2,259	2,390
BEST SAND - CHARDON	182,866	182,417
BRIDGMAN	68,800	71,810
CACM	4,101	2,734
D.M. BOYD	7,445	8,234
LAKESHORE SAND	65,550	36,398
MINERAL VISIONS	N/A	30,798
SANTROL DE MEXICO	N/A	28,925
STANDARD SAND	23,554	19,279
TECHNISAND BRIDGMAN	14,761	18,136
TECHNISAND FRESNO	8,780	9,516
TECHNISAND ROFF	46,176	46,819
TECHNISAND TROY GROVE	54,711	55,841
TECHNISAND WEDRON	N/A	47,541
WEDRON SILICA	624,292	692,486
WEXFORD SAND	70,000	62,464
WISC - BAY CITY	N/A	10,054
WISC - HAGER CITY	N/A	66,535
WISC - MAIDEN ROCK	127,067	130,969
WISC - MENOMONIE	N/A	56,842

* Total comprised of electrical, natural gas and other hydrocarbon fuels

Fairmount Minerals also continues to explore a variety of alternative energy options. In 2008, we investigated purchasing “green energy” for the organization, but concluded that, rather than paying a premium to utility companies, we will create green energy projects for ourselves. We advanced our wind energy initiative by installing a meteorological tower at our Wedron Sand facility in July 2008 to collect wind data for one year. Testing will be completed in June 2009, and we will then make a determination about moving forward with a wind tower installation. We also completed a phase one hydro power feasibility study in Illinois and are about to begin work on phase two. Finally, we continue to explore a cogeneration project that would use natural gas to run a high-efficiency engine at Best Sand (Chardon, Ohio). The ultimate goal of these endeavors is to have 20 percent of our energy needs served through renewable options.

Fairmount’s conservation and alternative energy projects are aimed at reducing our carbon footprint. We report greenhouse gas emissions in the form of carbon dioxide (CO₂) equivalents, which are calculated from fuel and electricity consumption using emissions factors from the U.S. Environmental Protection Agency (USEPA) eGRID database, USEPA emission factors from AP-42 (5th edition, Compilation of Air Pollutant Emission Factors, Volume 1: Stationary Point and Area Sources), the FIRE (Factor Information Retrieval System) database, the Revised 1996 IPCC Guidelines and the World Resources Institute/World Business Council for Sustainable Development GHG Protocol. In 2008, we successfully reduced our company-wide greenhouse gas emissions by more than 3 percent over a 2006 baseline.

Beyond that which we cannot eliminate through energy conservation, remaining greenhouse gas emissions are offset through carbon sequestration. In 2008, our QUEST team sequestered more than 93 percent of our carbon emissions by planting 25,000 trees in various Fairmount locations. Because the carbon sequestration is based on a 50-year lifespan for each tree, we focused on introducing native species in different regions to improve mortality rates. We partnered with Saving Birds Thru Habitat again in 2008 to distribute saplings to three northern Michigan conservation organizations. We also donated several trees to the Leelanau Conservancy for a new nature preserve and to the Conservation Resource Alliance for streamside restoration. In the fall of 2008, we donated one thousand trees to the Grand Traverse Conservancy for its Arcadia Dunes Preserve.



AIR QUALITY

Air quality in and around our facilities is an important element of our environmental responsibility. Our air quality goals in 2008 involved significant reductions in particulate matter (PM) emissions and hazardous air pollutants (HAPs). Every Fairmount facility responded to our reduction challenges by implementing a fugitive dust plan to reduce PM levels. We reduced HAPs on a per unit basis in 2008 by more than 25 percent against a 2006 baseline.

Our significant HAPs reductions came as a result of several technological advancements. At Technisand (Wedron, Illinois) and Santrol (Yixing, China), our thermal oxidizer technology eliminated 97 percent of all HAPs emissions. As we look to add thermal oxidizers to other Fairmount facilities, we can expect to see further HAPs reductions. We also expanded usage of our Signature Series and Signature Series Gold technology to reduce HAPs emissions. The resins used in our Signature technology reduce HAPs by as much as 66 percent. Twenty-three percent of our total tonnage currently uses Signature Gold technology, and we plan to increase that amount by moving a portion of our fracturing sand for the oil and gas industry to similar technology over the next year.

Because we increased production of coated-sand products using higher-grade resins, we missed our 25 percent ammonia reduction against 2006 baseline target. We plan to build on the 22 percent reduction on a per unit basis that we did achieve by increasing the amount of products using our hexa-free technology, which reduces criteria pollutants such as ammonia, free phenols and formaldehyde. To further improve odor impacts, we added our Neozien odor neutralization technology to 100 percent of all Fairmount coated-sand products. In 2009, we will explore licensing this technology to help users in other industries achieve similar odor improvements.

WATER

Because Fairmount Minerals' closed-loop process allows us to re-use water at all of our resin-coating and mining facilities, our most significant impact related to water involves the energy required to move it through our processing facilities. Although wastewater effluents are not significant in

our operations, we recognize the importance of water conservation as an aspect of our environmental sustainability. In 2008, we established a process to measure our total water usage, and we plan to implement tracking over the next year.

We set one major water-related goal in 2008 to eliminate the use of bottled water at all Fairmount facilities through implementation of water purification technology. We installed 43 water filters in 90 percent of our facilities, except those in which it is not feasible to purify water from local sources. We will increase the number of installed filtration systems in 2009 when we complete construction and installation at Technisand (Wedron, Illinois).

RECOVER, RECYCLE, REUSE

Aiming for zero waste across all Fairmount Minerals operations, we made progress on our goals related to recovery and recycling. Led by our 3R (Recover, Recycle, Reuse) team in 2008, we established recycling teams at every Fairmount facility and began tracking total waste. We exceeded our goal of reducing waste by 5 percent at our resin-coating facilities, which we accomplished primarily through improved maintenance and increased recycling efforts.

To further our efforts in conserving resources, we worked with customers to identify waste streams. We found that product waste for our customers comes mainly from packaging, so we took steps to increase recycled content in our packaging while identifying returnable packaging options. One customer switched to returnable plastic pallets from single-use wooden pallets in 2008, which translates into approximately \$7,500 in annual cost savings.

We also identified opportunities for recycling spent foundry sand with customers. Working closely with a supplier of soil and mulch products, Fairmount Minerals is helping our customers to participate in a recovery program that reuses spent green sand as a soil blend product for agricultural applications. These kinds of customer engagements are focused on finding opportunities to reuse or recover products to reduce the amount of waste going into landfills.

SUSTAINABLE SUPPLY CHAIN

Fairmount began implementing our sustainable supplier code of conduct in 2008 by reaching out to our inventory suppliers. We sent all inventory suppliers a copy of our new code of conduct and asked that they participate in an online survey. Through the survey, we learned what types of sustainable practices our suppliers have adopted and where we might partner to improve sustainability performance.

In 2009, we will roll out the code to all Fairmount suppliers and train internal buyers on our guidelines. The goal of this supply chain initiative is to increase our business relationships with sustainable companies while helping our suppliers to enhance their own practices.

The sustainable supply chain team also made progress last year relative to sustainable packaging projects. We began to purchase more packaging comprised of recycled content and switched from cardboard slip sheets made primarily of virgin content to those with recycled materials.

2008 HAPs REDUCTION

25% ↓
DROP

FACILITY WATER FILTERS
INSTALLED

43

RESIN-COATING FACILITY
WASTE REDUCTION

5% ↓
DROP

View from our Standard Sand facility.



SHORELINE BIRD HABITAT

In late 2007, two Fairmount Minerals partners – Lakeshore Environmental, Inc. and Saving Birds Thru Habitat – successfully obtained a \$15,000 grant from the U.S. Fish and Wildlife Service to replenish existing migratory shorebird habitat on Fairmount property along the Grand River. Working with our partners and the Ottawa County Parks and Recreation Commission, we spent time in 2008 establishing baseline shorebird counts, conducting an invasive species assessment and developing an Invasive Species Management Plan for the project area. Future activities, to be completed by September 2009, include educational presentations at local schools and implementation of invasive species control techniques to improve native habitat for both migratory and nesting birds.

LAND RESTORATION

With more than 4,400 acres of property across all of our mining facilities, Fairmount Minerals has the potential to make significant contributions to the biodiversity of the areas in which we operate. Although U.S. states have varying requirements for land restoration after mining, Fairmount Minerals commits to restoring our sites to an environmentally preferable condition. This allows us to thoughtfully address wildlife habitat conservation.

Preserving and supporting local biodiversity is an important aspect of site planning and land restoration for Fairmount Minerals. In 2008, every Fairmount facility established wildlife habitat teams that seek to identify and eliminate the threat of invasive species. To support these efforts, Fairmount created the “Dirty Dozen” pamphlet to help identify invasive species at each facility.

One of our more remarkable land restoration projects now thrives in Michigan, where we decided to replace what was once a

monoculture – a blueberry field – with a biologically rich man-made wetland. As we worked to restore the site, we focused on creating wetlands, which are the primary habitat for hundreds of species of birds, fish, mammals and insects. Because of its ability to sustain a diverse array of species, reduce the impact of flooding, prevent soil erosion, and remove and store greenhouse gases, the wetland’s ecological value is actually greater than that of the monoculture that once existed in its place.

Another example of Fairmount Minerals’ restoration efforts involves the native prairie we developed at our Wexford Sand facility in Michigan. Beginning in 2004, we restored 20 acres at our Wexford site, replacing a second-growth forest with an ecologically valuable prairie. Prairies serve as vital habitats for a multitude of species and contain self-sustaining grasses and plants; in fact, switch grass roots can find water up to 30 feet below ground, which reduces the need to manually water these

lands. The upland sandpiper, a bird that has undergone steady population declines due to loss of habitat, has serendipitously been spotted at the Wexford prairie.

Our experience in redeveloping prairie land also has supported our efforts with the Grand Traverse Regional Land Conservancy in Northern Michigan. As part of their Arcadia Dunes project, the Conservancy reached out to Fairmount Minerals to learn from our experience in property planning and species diversity. Fairmount provided funding for 500 hemlock trees to help with their sustainable forestry program in the 3,000-acre property of the Arcadia Dunes Nature Preserve. The Arcadia Dunes project is a Forest Stewardship Council (FSC)-certified sustainable forestry plan focused on restoration and management. Through this mutually beneficial partnership, Fairmount had the opportunity to help restore and maintain the ecological integrity and sustainability of Arcadia Dunes.

Local Chardon, Ohio, students are led by Kay Charter on a tour to learn about migratory birds.

ACRES OF PROPERTY

4,400

ACRES PERMANENTLY RESTORED

661.4

TOTAL TREES PLANTS

25,000

TOTAL LAND FOOTPRINT

TOTAL AVERAGE	TOTAL UNDISTURBED	TOTAL DISTURBED	PERMANENTLY RESTORED	PERCENT DISTURBED	
307	263	44	0	14	BEST SAND - BEAVER
545	160	320	78	59	BEST SAND - CHARDON
332	146	82	95	25	CACM
475	389	67	18	14	CLARK FARM
49	46	3	31	6	GULLIVER-PETERS
8.19	0	8.19	0	100	LAKESHORE SAND
4.1	0	3.3	0.8	80	MINERAL VISIONS
181	50	24	107	18	NADEAU MINE
149	103	21	29	14	NADEAU SITE
133	81	27	25	21	STANDARD SAND
17	0	17	0	100	TECHNISAND BRIDGMAN
5	0	5	0	100	TECHNISAND FRESNO
42	35	7	0	17	TECHNISAND ROFF
3	0	3	0	100	TECHNISAND TROY GROVE
1407	855	397	155	28	WEDRON SILICA
346	55	176	114	50	WEXFORD
34	8.5	17	8.6	50	WISC - MAIDEN ROCK
365	283	82	0	22	WISC - MENOMONIE

Total Disturbed: Does not include restored areas (only presently open areas).

Total Undisturbed = Total average minus total disturbed minus permanently restored.

“The Grand Traverse Regional Land Conservancy is grateful for the partnership with Fairmount Minerals on our Arcadia Dunes project. They have served as a technical resource for our grassland creation project, and they provided funds to acquire trees that were planted by our volunteers as part of our FSC-certified sustainable forest plan. Fairmount Minerals is on the cutting edge of creating a sustainable business model that addresses the economic, social and ecological impacts of their work.”

– Vic Lane, *Grand Traverse Regional Land Conservancy*



TROUT STREAM RESTORATION PROJECT

Following a successful restoration in Chardon, Ohio, a group of Fairmount Minerals employees partnered with Western Wisconsin Land Conservancy, Trout Unlimited and the Wisconsin Department of Natural Resources in 2008 to restore Pine Creek in Wisconsin. Grazing cattle and years of neglect had caused major erosion, filling the creek with sediment and wiping out the brook trout, a native indicator species. Our volunteers went to work cleaning up a half-mile of the stream, removing invasive species and sediment from Pine Creek. The volunteers also brought in native plant species and boulders to help reduce erosion. Although work is still ongoing, we have seen tremendous improvements in the creek’s appearance and look forward to the day when we see brook trout emerge once again.

PROSPERITY

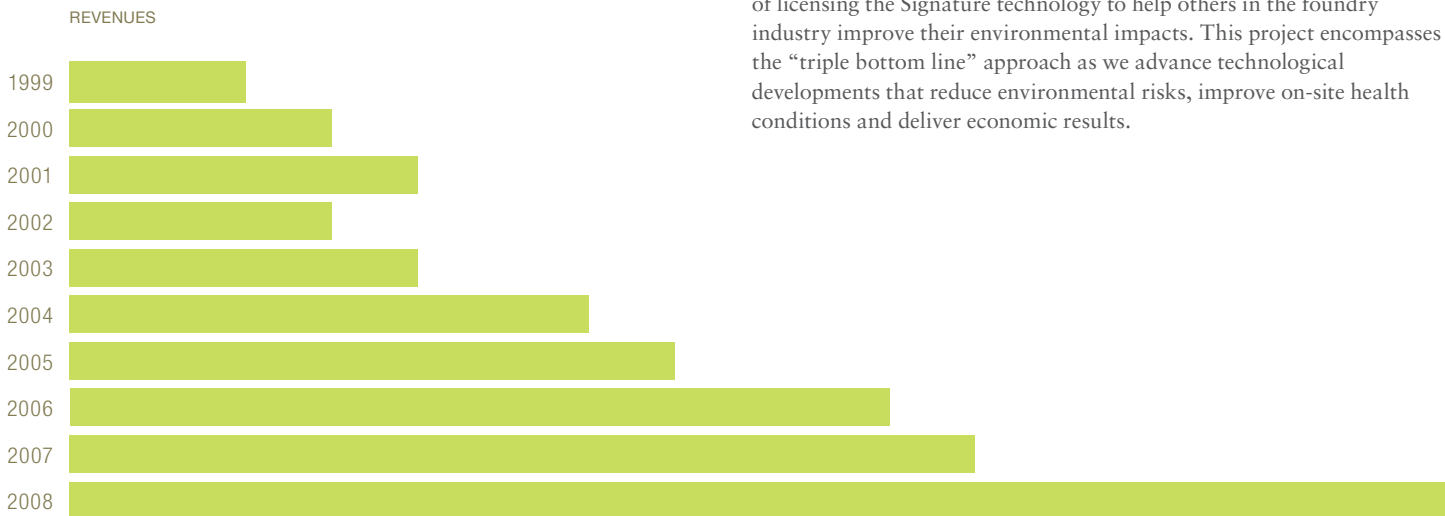
Fairmount Minerals' economic performance is an important aspect of our sustainability. Our direct and indirect economic impacts reflect the strength of our financial performance and contribute to the prosperity of our stakeholders. While, as a private company, we choose not to report specific financial information, we do report on the activities we undertake to deliver profits to our shareholders, contribute to local economies and invest in research and development that can advance technology in our field.

In 2008, Fairmount Minerals celebrated our seventh consecutive year of growth with record sales and profits. That profitability translates into increased prosperity for our Fairmount family members, suppliers, customers, communities and more. Our direct economic impacts include employee wages, payments to suppliers, charitable donations and taxes paid to governments. Our indirect economic impacts, while difficult to quantify, include cost-savings achieved by our customers through the use of our high-quality products. Additionally, our employees, suppliers, contractors and other stakeholders contribute to their local economies with the wages they earn either directly or indirectly through their association with Fairmount Minerals.

Because we view sustainable development as such an important part of our financial success, we link 50 percent of all bonus compensation to progress on our Bold Goals. This allows us to measure social and environmental performance in the same way we traditionally measure our own prosperity.

SUPERIOR PRODUCTS

While sustainable development practices are often associated with cost savings, Fairmount's products prove that sustainability also delivers top-line growth. We set a goal in 2008 to deliver at least three sustainable products to new or existing markets, and we exceeded our own expectations.



Fairmount Minerals introduced two new environmentally friendly products to support our motto to “do good and do well.” We designed our FlexSand Action product, a new type of synthetic turf infill, with environmental and health concerns in mind. While traditional turf infill products have been associated with heavy metal and lead contamination issues, our FlexSand Action product uses an FDA-approved elastomer to achieve the same shock absorption while reducing health and environmental risks. In fact, FlexSand Action is both UV- and leach-resistant as well as 100 percent recyclable, making it an environmentally sound alternative. In 2008, we installed our first full field of FlexSand Action turf product in a Los Angeles school district.

Fairmount's second major product advancement in 2008 involves our newly patented flotation agent. In mining, we often have to separate the desired mined materials from clay, minerals and other impurities. To achieve this separation, we use a flotation process that introduces a chemical agent to a mix of water and mined content. This helps impurities float to the surface, where they can be removed. Traditionally, the chemical agent that makes this separation possible – known as a flotation agent – is comprised of non-biodegradable surfactants and synthetic compounds. In lieu of using traditional materials, Fairmount Minerals employees at our Wexford Sand facility identified a flotation agent that is biodegradable and minimizes environmental risks. With testing complete at three Fairmount facilities, we will introduce this environmentally preferable product to the mining industry later this year.

We also began to take steps toward licensing our environmentally beneficial technology. Fairmount Minerals' Technisand Signature Series and Signature Series Gold products are specially formulated to reduce smoke, odor and hazardous air pollutants such as ammonia and phenol for customers in the foundry market. This year, we explored the viability of licensing the Signature technology to help others in the foundry industry improve their environmental impacts. This project encompasses the “triple bottom line” approach as we advance technological developments that reduce environmental risks, improve on-site health conditions and deliver economic results.



MENOMONIE, WISCONSIN

Fairmount Minerals' prosperity grew in 2008 when our new Menomonie, Wisconsin facility became fully operational. Our geographic expansion into this area came as a result of a customer request. From the very start, we engaged local stakeholders to understand their concerns and needs from a company moving into the community. We shared information about our sustainable development practices, hosting community meetings and taking groups to visit our other facilities to see them in action. After several months of community engagement, we received unanimous approval to begin construction on a new mining operation.

During the planning process, we continued to engage local stakeholders and established a community advisory council to keep us apprised of important issues on an ongoing basis. We applied for Leadership in Energy and Environmental Design (LEED) certification in the construction of our new facility, reinforcing our commitment to sustainability and the community's desire for an environmentally responsible neighbor.



Local students participate in a school tour at the Menomonie, Wisconsin, facility.



Conclusion

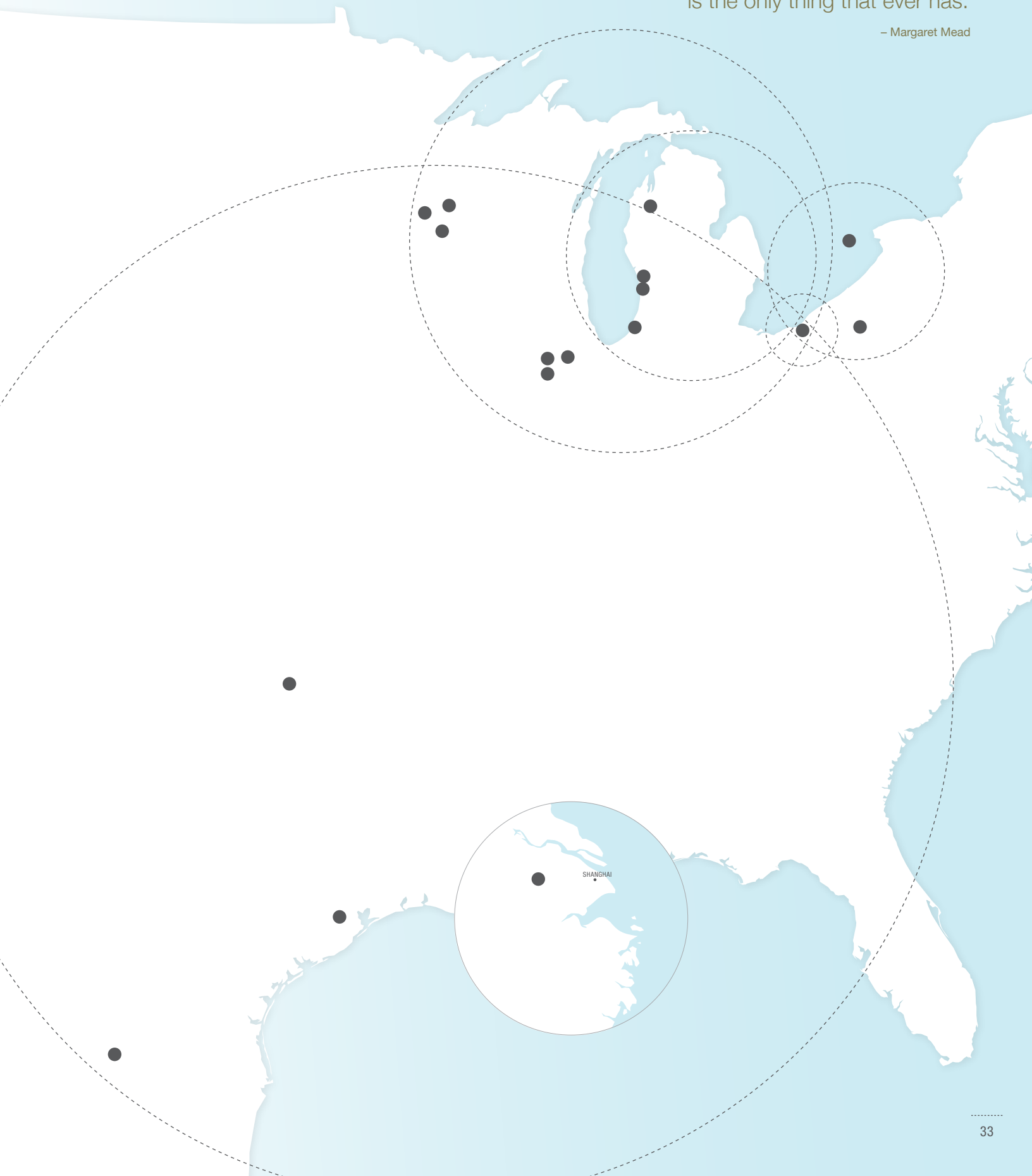
During a year of international expansion, Fairmount Minerals has focused on bringing our stakeholders together to help chart a course for a sustainable future. We listened, we planned, and we took action.

With a clear sense of purpose and vision for sustainable development, we are prepared to meet our challenges head-on and evolve in the direction of a positive future. Our Bold Goals for sustainable development focus our efforts on People, Planet and Prosperity and help us to demonstrate progress as a sustainable organization. Going forward, we plan to make tangible the inherent value we see in sustainable development and to help others understand the ways in which sustainability adds value to our lives.

As we continue to grow, we will maintain an inclusive approach – a focus on everyone's tomorrow. We believe in the power of possibility and that, together, we can accomplish great things.

“Never doubt that a small group of thoughtful,
committed citizens can change the world. Indeed, it
is the only thing that ever has.”

— Margaret Mead



PROFILE DISCLOSURE	DESCRIPTION	2008 REPORT	PAGE NUMBER
1. Strategy and Analysis			
1.1	Statement from the most senior decision-maker of the organization.	Annual Review from Chuck	1
1.2	Description of key impacts, risks, and opportunities.	Strategy and Analysis	8-9
2. Organizational Profile			
2.1	Name of the organization.	Organization Profile	2-3
2.2	Primary brands, products, and/or services.	Organization Profile, Superior Products	2-3, 30
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Organization Profile	2-3
2.4	Location of organization's headquarters.	Organization Profile	2-3
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Organization Profile	2-3
2.6	Nature of ownership and legal form.	Organization Profile	2-3
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Organization Profile	2-3
2.8	Scale of the reporting organization.	Organization Profile	2-3
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Organization Profile	2-3
2.10	Awards received in the reporting period.	External Commitments and Memberships	5
3. Report Parameters			
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Report Parameters	4
3.2	Date of most recent previous report (if any).	Report Parameters	4
3.3	Reporting cycle (annual, biennial, etc.).	Report Parameters	4
3.4	Contact point for questions regarding the report or its contents.	Report Parameters	4
3.5	Process for defining report content.	Report Parameters	4
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Report Parameters	4
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Report Parameters	4
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Report Parameters	4
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Report Parameters	4
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Report Parameters	4
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Report Parameters	4
3.12	Table identifying the location of the Standard Disclosures in the report.	GRI Content Index	34-37
3.13	Policy and current practice with regard to seeking external assurance for the report.	We did not seek external assurance for this report.	
4. Governance, Commitments, Engagement			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Organization Profile	2-3
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Bill Conway, Chairman of the Fairmount Minerals Board of Directors, is not an executive officer.	
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Organization Profile	2-3
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Stakeholder Engagement	6-7
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	As a private company, Fairmount Minerals does not disclose any specific financial information, including sales, revenue, salary and bonus compensation. All Fairmount Minerals non-union employees are eligible for bonus compensation based on business metrics and the completion of our annual Bold Goals for sustainable development.	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Organization Profile	2-3
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	Organization Profile	2-3
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Organization Profile	2-3
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Organization Profile	2-3
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	2008 Performance	10-12
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Strategy and Analysis	8-9
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	External Commitments and Memberships	5
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	External Commitments and Memberships	5

PROFILE DISCLOSURE	DESCRIPTION	2008 REPORT	PAGE NUMBER
4.14	List of stakeholder groups engaged by the organization.	Stakeholder Engagement	6-7
4.15	Basis for identification and selection of stakeholders with whom to engage.	Stakeholder Engagement	6-7
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Stakeholder Engagement	6-7
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Stakeholder Engagement	6-7
G3 DMA	DESCRIPTION	2008 REPORT	PAGE NUMBER
DMA EC	Disclosure on Management Approach EC	Prosperity, 2009 Bold Goals	30-31, 14-15
DMA EN	Disclosure on Management Approach EN	Planet, 2009 Bold Goals	24-29, 14-15
DMA LA	Disclosure on Management Approach LA	People, 2009 Bold Goals	16-23, 14-15
DMA HR	Disclosure on Management Approach HR	People, 2009 Bold Goals	16-23, 14-15
DMA SO	Disclosure on Management Approach SO	People, 2009 Bold Goals	16-23, 14-15
DMA PR	Disclosure on Management Approach PR	Prosperity, Planet, 2009 Bold Goals	30-31, 24-29, 14-15
PERFORMANCE INDICATOR	DESCRIPTION	2008 REPORT	PAGE NUMBER
Economic			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Prosperity - Direct and Indirect Economic Impacts	30
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Strategy and Analysis, Prosperity	8-9, 30-31
EC3	Coverage of the organization's defined benefit plan obligations.	People - Exceptional Workplace	16
EC4	Significant financial assistance received from government.	We do not receive significant financial assistance from local or federal governments.	
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	We do not track this information.	
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	While our sustainable supply chain program currently focuses on indicators of sustainability such as environmental policies, labor practices and ethical behavior, we plan to make locally based procurement an element to consider in the long-term.	
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	While we do not have a specific policy relative to local hiring practices, the majority of our production employees and plant management are residents of the local communities in which our facilities are located.	
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	People - Community Investment	22-23
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Prosperity - Direct and Indirect Economic Impacts	30
Environmental			
EN1	Materials used by weight or volume.	Although we refrain from reporting proprietary information related to production totals, we do report on land usage as it relates to our mining operations in the Planet - Land Restoration section of this report.	
EN2	Percentage of materials used that are recycled input materials.	Planet - Recover, Recycle, Reuse and Sustainable Supply Chain	26, 27
EN3	Direct energy consumption by primary energy source.	Planet - Energy and Climate Change	24-25
EN4	Indirect energy consumption by primary source.	Planet - Energy and Climate Change	24-25
EN5	Energy saved due to conservation and efficiency improvements.	Planet - Energy and Climate Change	24-25
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Prosperity - Superior Products	30
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Planet - Energy and Climate Change	24-25
EN8	Total water withdrawal by source.	We developed a method for calculating total water usage in 2008 and will implement across our facilities in 2009.	
EN9	Water sources significantly affected by withdrawal of water.	Planet - Water	26
EN10	Percentage and total volume of water recycled and reused.	Planet - Water	26
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Planet - Land Restoration	28-29
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Planet - Land Restoration	28-29
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Planet - Land Restoration	28-29
EN13	Habitats protected or restored.	Planet - Land Restoration	28-29
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Planet - Land Restoration	28-29

PERFORMANCE INDICATOR	DESCRIPTION	2008 REPORT	PAGE NUMBER
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Our stakeholder engagement process deemed this level of detail immaterial to our report.	
MM1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated.	Planet - Land Restoration	28-29
MM2	The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria, and the number (percentage) of those sites with plans in place.	Planet - Land Restoration	
EN16	Total direct and indirect greenhouse gas emissions by weight.	Planet - Energy and Climate Change	24-25
EN17	Other relevant indirect greenhouse gas emissions by weight.	Planet - Energy and Climate Change	24-25
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Planet - Energy and Climate Change	24-25
EN19	Emissions of ozone-depleting substances by weight.	We do not have any ODS emissions to report.	
EN20	NO _x , SO _x , and other significant air emissions by type and weight.	While we track the weight of specific air emissions internally, we believe reporting on total percentage reductions in the Planet - Air Quality section of the report satisfies our stakeholders' requirements for information. Should near-term stakeholder engagement uncover a need for more specific reporting, we will include it in future reports.	
EN21	Total water discharge by quality and destination.	As we implement our water consumption tracking methodology in 2009, we will begin to review our water discharge practices. Presently, the most significant environmental impact associated with Fairmount Minerals' water usage involves the energy used to move water through our closed-loop process.	
EN22	Total weight of waste by type and disposal method.	We developed a method for tracking total waste in 2008 and will implement across the organization in 2009.	
EN23	Total number and volume of significant spills.	We do not have any significant spills to report.	
MM3	Total amounts of overburden, rock, tailings, and sludges presenting potential hazards.	We do not track this information.	
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	While we do not currently track this information, we will begin to review relevant hazardous waste practices once we implement our waste tracking system in the near future.	
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	As we implement our water consumption tracking methodology in 2009, we will begin to review our water discharge practices. Presently, the most significant environmental impact associated with Fairmount Minerals' water usage involves the energy used to move water through our closed-loop process.	
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Prosperity - Superior Products	30
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Planet - Sustainable Supply Chain	27
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	We comply with all environmental laws and regulations.	
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Planet - Energy and Climate Change	24-25
EN30	Total environmental protection expenditures and investments by type.	We do not track this information.	
Social: Labor Practices and Decent Work			
LA1	Total workforce by employment type, employment contract, and region.	Organization Profile	2-3
LA2	Total number and rate of employee turnover by age group, gender, and region.	People - Exceptional Workplace	16
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	People - Exceptional Workplace	16
LA4	Percentage of employees covered by collective bargaining agreements.	Approximately 24 percent of our workforce belongs to a union.	
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	We follow the minimum notice periods specified by the WARN Act whenever applicable.	
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	People - Safety	18-19
MM4	Number of strikes and lockouts exceeding one week's duration, by country.	We do not have any strikes or lockouts to report.	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	People - Safety	18-19
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	People - Health and Wellness	20
LA9	Health and safety topics covered in formal agreements with trade unions.	People - Safety	18-19
LA10	Average hours of training per year per employee by employee category.	Although we do not currently track all types of training provided to our employees, we can report that every Fairmount employee received 8 hours of safety training on average in 2008. As our tracking systems improve in the long-term, we will provide more detailed information on employee training.	
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	People - Training and Development	16
LA12	Percentage of employees receiving regular performance and career development reviews.	People - Training and Development	16
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	People - Labor Practices and Human Rights	21
LA14	Ratio of basic salary of men to women by employee category.	As a private company, Fairmount Minerals does not disclose any specific financial information, including sales, revenue, salary and bonus compensation.	

PERFORMANCE INDICATOR	DESCRIPTION	2008 REPORT	PAGE NUMBER
Social: Human Rights			
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Planet - Sustainable Supply Chain	27
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Planet - Sustainable Supply Chain	27
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	In 2008, we conducted training sessions at every significant Fairmount Minerals facility on the UN Global Compact, including information specific to human rights.	
HR4	Total number of incidents of discrimination and actions taken.	We do not have any incidents of discrimination to report.	
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	People - Labor Practices and Human Rights	21
MM5	Total number of operations taking place in or adjacent to Indigenous Peoples' territories, and number and percentage of operations or sites.	We do not operate on or adjacent to Indigenous Peoples' territories.	
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	People - Labor Practices and Human Rights	21
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	People - Labor Practices and Human Rights	21
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	We do not employ security personnel.	
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	We do not have any incidents to report.	
Social: Society			
S01	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	2008 Performance, Prosperity	10-12, 30-31
MM6 A	Number and description of significant disputes relating to land use, customary rights of local communities and indigenous peoples.	We do not have any disputes related to land use to report.	
MM6 B	The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and indigenous peoples, and their outcomes.	Stakeholder Engagement, Prosperity	6-7, 30-31
MM7	Number (and percentage) of company operating sites where artisanal and small-scale mining (ASM) takes place on, or adjacent to, the site; describe the associated risks and the actions taken to manage and mitigate these risks.	We do not operate any artisanal or small-scale mines.	
MM8	List sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process.	We have not participated in community resettlements.	
MM9	Number and percentage of operations with closure plans.	Planet - Land Restoration	28-29
MM10	Significant incidents involving communities in which grievance mechanisms have been invoked to address them together with their outcomes.	Stakeholder Engagement, Prosperity	6-7, 30-31
MM11	Number and description of incidents affecting employees, communities, or the environment in which emergency preparedness procedures were activated.	We do not have any incidents to report.	
S02	Percentage and total number of business units analyzed for risks related to corruption.	People - Labor Practices and Human Rights	21
S03	Percentage of employees trained in organization's anti-corruption policies and procedures.	In 2008, we conducted training sessions at every significant Fairmount Minerals facility on the UN Global Compact, including information specific to ethical business practices.	
S04	Actions taken in response to incidents of corruption.	We do not have any incidents to report.	
S05	Public policy positions and participation in public policy development and lobbying.	External Commitments and Memberships	5
S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	We do not have any political contributions to report.	
S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	We do not have any legal issues to report.	
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	We comply with all relevant laws and regulations.	
Social: Product Responsibility			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Prosperity - Superior Products	30
MM12	Programs and progress relating to materials stewardship.	Planet - Sustainable Supply Chain	27
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	We comply with all product regulations and voluntary codes.	
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Prosperity - Superior Products	30
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	We comply with all regulations and voluntary codes concerning product and service information and labeling.	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Stakeholder Engagement	6-7
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	People - Labor Practices and Human Rights	21
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	We comply with all regulations and voluntary codes concerning marketing communications.	
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	We do not have any breaches of customer privacy or data to report.	
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	We comply with all laws and regulations concerning the provision and use of products and services.	



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FAIRMOUNT
MINERALS

P.O. Box 87
11833 Ravenna Road
Chardon, Ohio 44024
(800) 237-4986