

about this report

STAYING TRUE | 2016 CORPORATE SOCIAL RESPONSIBILITY REPORT

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CEO LETTER

G4-1

Fairmount Santrol is proud to share our 11th Corporate Social Responsibility (CSR) report, *Staying True*. Our commitment to sustainable development (SD) remains unwavering, and our Family Members elevated our performance in 2016. We were inspired to see beyond the challenging market conditions, remaining an employer and business partner of choice.



EXECUTIVE LEADERSHIP TEAM

From left to right: From left to right: Michael F. Biehl, Chief Financial Officer; Daniel N. Gerber, Operations; Robert B. Larson, Engineering & Supply Chain Operations; George W. Magaud, Chief Strategy & Innovation Officer; Jenniffer D. Deckard, President and Chief Executive Officer; Gerald L. Clancey, Chief Commercial Officer; Brian J. Richardson, Chief People Officer; David J. Crandall, General Counsel and Secretary

Fairmount Santrol believes that *Staying True* to our principles—ethics, safety, environmental stewardship, social responsibility, empowerment, personal excellence, shared ownership, fun and more—leads to better business outcomes. Our culture drives collaboration, innovation, and makes us think about the world around us. Our *Do Good. Do Well.* culture inspires us to do better, work harder, give more and rise above—strengthening our business, Family Members, communities and planet for the long-term. In 2016, this was evident as we reported sales performance that was greater than the overall proppant market growth. Our Family Members' can-do attitude and dedication to sustainable advancements inspired us to make significant progress on our People, Planet and Prosperity commitments, set bold Vision 2020 SD goals and accomplish the following:

People

Family Members achieved 101 percent of our 2016 SD Team goals and individual facilities achieved 97 percent of their SD goals.

Our continued focus on safety enabled us to outperform the industry average Safety statistics and to surpass our record for our best year in Total Case Incident Rates (TCIR).

Family Members dedicated 9,826 volunteer hours to the communities in which we live and work.

Planet

We achieved zero waste at 27 of our 31 facilities in operation, including our largest facilities.

We implemented efficiency upgrades across our operations and logistics processes that improved our energy consumption.

To fully sequester our 2015 greenhouse gas (GHG) emissions, we funded or planted over 102,000 trees, with 10 percent of the trees planted by our Family Members.

Prosperity

We shipped the highest volume of raw frac sand in our company's history.

We celebrated the opening of our new, state-of-the-art Wedron 7 production facility, which is industry leading in size, cost and efficiency.

Through our foundation we donated \$1.2 million to our communities, funding the health, wellness, and education of the next generation as well as the health of our planet.

By Staying True to our long-standing belief that investing in People, Planet, and Prosperity pays, our people remain inspired, our efficiency has improved, and our stakeholders are reaping the benefits from both previous and current efforts.

As market conditions continue to shift, we will remain focused on the efficient use of our financial and natural resources, ensuring that our customers benefit from our logistical efficiencies and product innovations, all of which reduce our environmental impact.

Finally, core to who we are, we will invest in the development of our people, ensuring that we have the talent required to lead our company as we look to 2017 and beyond.

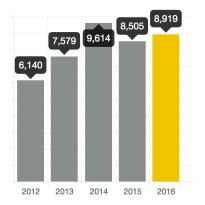
In reading this report, produced in alignment with the Global Reporting Initiative (GRI) guidelines and the UN Global Compact's Communication on Progress (COP), you will learn firsthand what Staying True means to the Fairmount Santrol Family.

Best Regards,

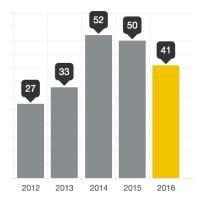
enniffer Deckard

Jenniffer Deckard, President and Chief Executive Officer

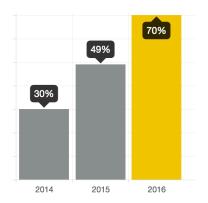
FMSA VOLUME SOLD (THOUSANDS OF TONS)



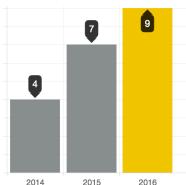
TERMINALS IN FMSA FOOTPRINT*



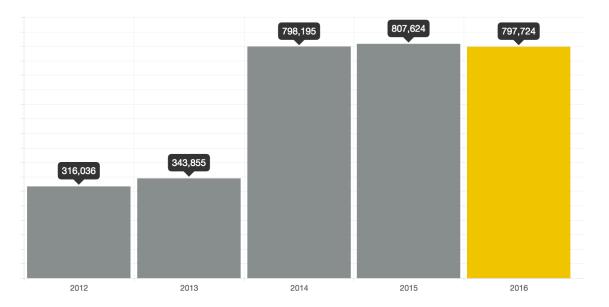
PERCENT OF SHIPMENTS VIA UNIT TRAINS



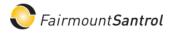
TERMINALS IN FMSA FOOTPRINT WITH UNIT TRAIN CAPABILITIES



FMSA FUTURE SAND RESERVES* (THOUSANDS OF TONS)



*Values reflect prior year end.



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Headquartered in Chesterland, Ohio, Fairmount Santrol (NYSE: FMSA) is a leading provider of highperformance sand and sand-based products used by oil and gas exploration and production companies to enhance the productivity of their wells. The company also provides high-quality products, strong technical leadership, and applications knowledge to end users in the foundry, building products, water filtration, glass, and sports and recreation markets.

Fairmount Santrol is a global expert in the science and art of transforming sand into value-added products whose performance far exceeds ordinary expectations. We are customer-focused and values-driven with strategically located facilities in North America, Europe, and Asia, supported by a global distribution and customer support network. Our global logistics capabilities include a wide-ranging network of distribution terminals and thousands of railcars, both of which allow our company to effectively serve customers wherever they operate.

Fundamental to our mission, vision, and culture, Fairmount Santrol embraces the principles of sustainable development. We make investments in our people, our communities, and our environmental stewardship programs to help secure our ability to operate today, and also create a bright future for our business and the communities where we live and work.

Our Mission

We, the Fairmount Santrol Family, are united in our commitment to exceed all expectations while fulfilling our economic, social, and environmental responsibilities. View Mission & Principles.



our company

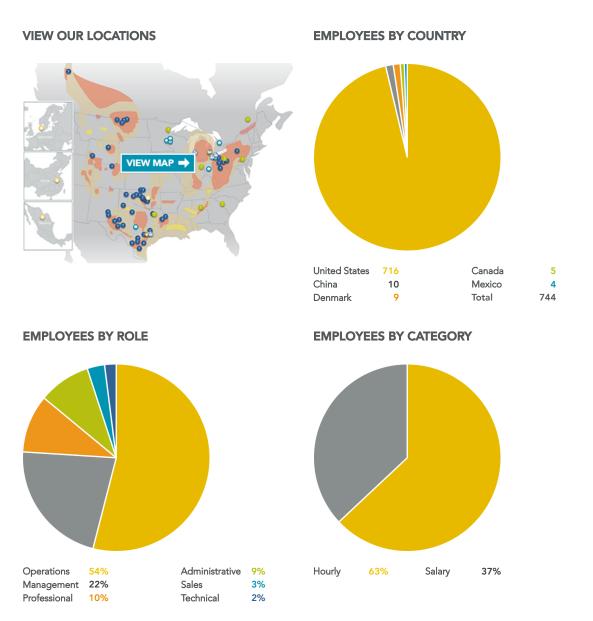
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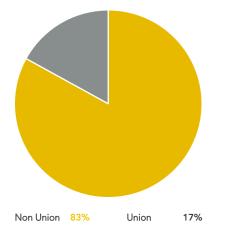
ORGANIZATIONAL PROFILE

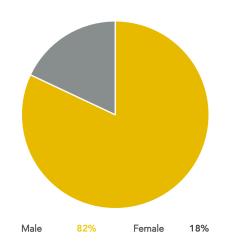
G4-6, G4-8, G4-10, G4-11

Our company is comprised of a dedicated and talented employee population that reaches across North America, Europe, and Asia. We have strategically placed our Family Members in locations that best serve our customers' need for reliable and timely product delivery. We have proven that our team comes together to create powerful and innovative solutions that advance People, Planet, and Prosperity.

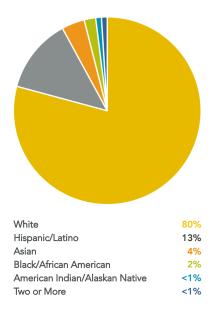


UNION EMPLOYEES

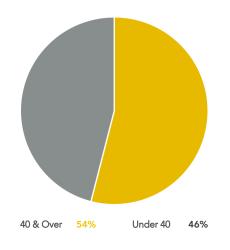




EMPLOYEES BY ETHNICITY



EMPLOYEES BY AGE



EMPLOYEES BY GENDER



our company

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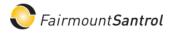
CORPORATE GOVERNANCE

G4-34

We embed our commitment to People, Planet, and Prosperity within every layer of our company. Our board of directors considers sustainable development (SD) foundational to our culture and continued growth. They are regularly updated on our SD progress, and provide strategic guidance for future initiatives through participation on the Audit, Nominating and Governance, and Compensation Committees. In addition, they are invited to attend all Fairmount Santrol Appreciative Inquiry Summits.

Our President and Chief Executive Officer, Jenniffer Deckard, and our Director of Sustainable Development, Beau Daane, lead our SD Advisory Committee—composed of 15 executives and directors from key functions across the business—in developing and executing our sustainable development strategy. Our Regional SD Coordinators engage Family Members with SD practices and monitor progress at our facilities, uniting our Family across the world in our SD efforts. More than 45 percent of our Family Members voluntarily participate in our 13 SD Teams, which develop and implement annual goals and initiatives. We hold all SD Team Members, Regional SD Coordinators, and SD Advisory Committee Members accountable through reporting relationships that monitor and provide incentive for SD performance.

Fairmount Santrol and our board of directors are committed to sound corporate governance practices and conducting business activities according to the highest ethical standards. In carrying out this responsibility, the board of directors has adopted corporate governance guidelines in accordance with the rules of the New York Stock Exchange, as well as a code of business conduct and ethics applicable to employees, directors, and officers. Our policies are publicly available on our Investor Relations' Corporate Governance page.



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PARTNERS AND COLLABORATION

G4-16

We elevate our commitment to sustainable development by forming partnerships and engaging with industry associations, nonprofits, and academic organizations that share our values. Our leaders help to improve industry standards and share best practices for SD, raising our industry's collective level of responsibility. Together with our partners, we increase education, transparency, and support for responsible sand mining.

Sample of Our Valued Partners

Alzheimer's Association
American Chemistry Council Crystalline Silica Panel
American Foundry Society
American Institute of Chemical Engineers
American Petroleum Institute
American Red Cross
American Society for Quality
American Society of Safety Engineers
American Systems Registrar (ASR)
American Water Works Association
Casting Industry Supplier Association
Corporate Sustainability Network at Cleveland State University
Ductile Iron Society
Dunn County Economic Development Corporation
Foundry Association of Michigan
Foundry Educational Foundation
Fowler Center for Business as an Agent of World Benefit at Case Western Reserve University
Geauga Growth Partnership
Golf Course Builders Association of America
Golf Course Superintendents Association of America
Greater Cleveland Partnership
Illinois Association of Aggregate Producers (IAAP)

Indiana Cast Metals Association

Industrial Energy Consumers Association Industrial Minerals Association - North America (IMA-NA) Institute for Sustainable Business at Baldwin Wallace University International Society of Mine Safety Professionals Marcellus Shale Coalition Mine Safety and Health Administration (MSHA)/li> Momentum West National Association of Manufacturers National Freight Transportation Association National Industrial Sand Association National Safety Council North American Rail Shippers Association Ohio Cast Metals Association Ohio Parks and Recreation Association Occupational Safety and Health Administration (OSHA) Pennsylvania Parks and Recreation Association Pierce County Economic Development Corporation Saving Birds Thru Habitat Society for Human Resource Management Society for Mining, Metallurgy and Exploration Society of Chemical Manufacturers and Affiliates Society of Petroleum Engineers Synthetic Turf Council Texas Cast Metals Association Trees for the Future Trout Unlimited United Nations Global Compact United Way University of Wisconsin - Eau Claire U.S. Business Council for Sustainable Development Water Environment Federation Western Reserve Land Conservancy Wildlife Habitat Council Wisconsin Industrial Sand Association Wisconsin Manufacturers & Commerce Wisconsin Partners for Clean Air Wisconsin Sustainable Business Council



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AWARDS AND RECOGNITION

We are proud that during 2016 the following organizations recognized our SD commitments:

Recognized as Green Tier, a Wisconsin Department of Natural Resources program – Hager City**, Maiden Rock*, and Menomonie, WI

American Foundry Society Metalcasting Safe Year Award – Benton Harbor, MI, Chardon, OH, Detroit, MI, Hamilton, Ontario, Troy Grove, IL, Wedron, IL, and Wedron, IL – Resin

Bronze Award and Sustainability Award from the Society of Chemical Manufacturers and Affiliates (SOCMA)

Green Masters Award from the Wisconsin Sustainable Business Council – Hager City**, Maiden Rock*, and Menomonie, WI

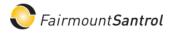
*Facilities closed or idled in 2016 **Idled/closed in 2016; currently functioning as a terminal Illinois Association of Aggregate Producers (IAAP) Rock Solid Safety Bronze Award – Wedron, IL

Illinois Association of Aggregate Producers (IAAP) Community Relations Award – Wedron, IL

Illinois Association of Aggregate Producers (IAAP) Certificate in Achievement In Environmental Excellence Gold Award – Wedron, IL

Industrial Minerals Association-North America (IMA-NA) Recognition Program for Excellence in Worker Safety – Chardon, OH

Mine Safety and Health Administration Certificate of Achievement in Safety – Harrietta, MI*, Maiden Rock, WI*, Menomonie, WI, and Shakopee, MN



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G4-23

We at Fairmount Santrol are proud to present our 11th annual Corporate Social Responsibility (CSR) report, which is written in accordance with the Global Reporting Initiative's (GRI) G4 guidelines "Core" option and fulfills our UN Global Compact Communication on Progress (COP) submission. Our online reporting supports a thriving planet by reducing paper use and saving fuel in processing and mailing. The report is available for download as a PDF.

Our company's motto and action orientation "Do Good. Do Well." encompasses three pillars of sustainability—People, Planet, and Prosperity. In late 2014, we engaged internal and external stakeholders in an in-depth materiality assessment to determine our most significant environmental, social, and economic impacts and sustainable development (SD) priorities. In 2015, for each priority area—or material topic—we assigned topic owners to ensure accountability for managing and monitoring each topic. In 2016, we worked with topic owners and SD Teams to develop Vision 2020 goals, long-term goals for their key topics. This is in addition to the role our Director of Sustainable Development plays in advancing the management and measurement of each topic. We also closely align our SD Team goals to material topics. Throughout the People, Planet, and Prosperity sections, you will find our management approach, performance, and key highlights for each material topic.

Many of our SD goals and initiatives emerge from our Appreciative Inquiry (AI) Summits, historically held every three years. During our AI Summits, Family Members and external stakeholders come together to envision and co-create the future for sustainable development. Our 13 SD Teams take these aspirations and conduct research, determine alignment with our material topics, and develop goals and action plans to positively impact People, Planet, and Prosperity.

Throughout this report, you will find the many contributions made by our SD Teams to advance the management of our material topics. The Fairmount Santrol Family has *Stayed True* to our values, dedicating ourselves to being more than the leading provider of high-performance sand and sand-based products. We believe that our company is an agent of world benefit.



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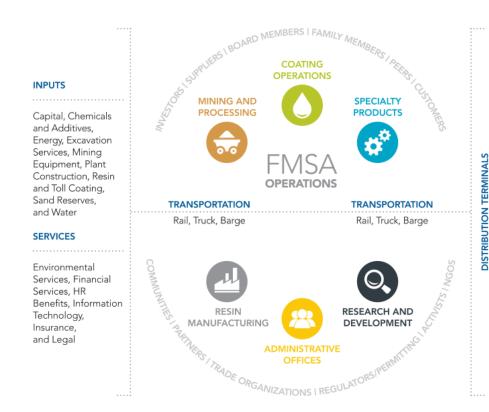
STAKEHOLDER ENGAGEMENT AND MATERIALITY

G4-12, G4-18, G4-19, G4-20, G4-21, G4-24, G4-25, G4-26, G4-27

Our relationship with our Family Members and external stakeholders strengthens our business. By soliciting perspectives and feedback from our board of directors, Family Members, customers, suppliers, partners, investors, community members, and regulators, we gain insights which enable us to make strategic decisions based on what matters most.

In 2014, we conducted a robust materiality assessment to identify our most relevant environmental, social, and economic impacts, risks, and opportunities across our value chain. We worked with stakeholders to understand their perspective, incorporating their input with our knowledge of global and industry trends to prioritize our SD topics. The results of this work serve as a roadmap for our sustainable development initiatives, ensuring we are investing our resources where we can have the most positive impact. Each year the SD Advisory Committee and the board of directors challenge our SD Teams to reach higher, setting SD goals that stretch us to new accomplishments. We plan to refresh our materiality assessment every three years as priorities for our business, our markets, and the world evolve.

Value Chain



OIL AND GAS

Propel SSP,® Raw Frac Sand, and Resin Coated Proppant

INDUSTRIAL AND RECREATION

Building Products, Foundry Products, Glass Sand, Specialty, Sports and Recreation, and Water Filtration

REGIONS

China, North America, India, Japan, North Sea Basin, Mainland Europe, Malaysia, Middle East, South America, and South Africa

END OF LIFE

 $The {\it Materiality} {\it Assessment} {\it Process}$

Since 2005, we have held an Appreciative Inquiry (AI) Summit approximately every three years, bringing together Family Members and a strong representation of our external stakeholders to co-create a pathway towards a flourishing future. Our first AI Summit led to the formation of our SD Teams, open to all Family Members interested in driving our sustainability progress. We held our fourth AI Summit in 2014, where nearly 500 Family Members and 60 external stakeholders united to define Fairmount Santrol's values and strengths, and discuss, design, and deploy our vision for the future. These AI Summits powerfully accelerate our organizational leadership and engagement and strengthen our overall commitment to SD.

Building upon the outcomes of the 2014 AI Summit, we took steps to scan the marketplace for leading sustainability practices, looked across our value chain for impacts, risks, and opportunities, and engaged key internal and external stakeholders in one-on-one conversations. This assessment was aimed at identifying and ensuring we are managing our most significant SD material topics.

Steps in the Materiality Assessment Process

Appreciative Inquiry (AI) Summit	In August 2014, more than 500 Family Members and nearly 60 external stakeholders attended our three-day AI Summit. During the AI Summit, our Family Members discussed strengths and values that we should continue to use and build upon, as well as ideas for taking our SD commitment to the next level. We used these strengths, values, and 17 forward-looking high-priority topics as critical input to the materiality assessment.		
Benchmarking	We benchmarked industry and aspirational peers to compare and contrast focus areas. We also benchmarked sustainability topics discussed by our top 10 customers in our two complementary business segments— Proppant Solutions and Industrial and Recreational (I&R).		
Research	We conducted expansive research to determine material topics in the mining and manufacturing industries, a well as the oil and gas industry. Sources included:		
	Mining and Manufacturing Industries:		
	Global Reporting Initiative (GRI) G4 Mining Sector Supplement		
	Governance & Accountability (G&A) Institute		
	International Council on Mining and Metals (ICMM) Sustainable Development Principles		
	Industrial Minerals Association – North America (IMA-NA)		
	National Association of Manufacturers (NAM)		
	National Mining Association (NMA)		
	Sustainability Accounting Standards Board (SASB)		
	Oil and Gas (Customer) Industry:		
	G&A Institute		
	GRI Oil and Gas Sector Supplement		
	SASB Oil and Gas Industry Standards		
	We also invested in third-party research to learn about media topics relevant to our business, and about the significant impacts in our value chain, based on publicly available life cycle assessments (LCAs), respectively.		
Impact Mapping	A cross-functional group of 24 senior leaders came together to discuss benchmarking and research results. The group then identified significant economic, environmental, and social impacts, risks, and opportunities across our value chain. We then outlined and individually rated the 35 topics of importance in terms of distinguishing Fairmount Santrol as a leader in both the industry and sustainable development.		
External Stakeholder Interviews	We interviewed more than 40 external stakeholders for their perspectives on which SD topics are most important to proactively manage. These included oil and gas customers, industrial and recreational customers, chemical suppliers, transportation suppliers, community members, industry associations, regulatory authorities, and experts in the fields of mining and transportation.		
Board of Directors Interviews	Six of the nine members of our board of directors (at the time) participated in interviews in 2014 to describe the highest-priority SD topics that both add value and mitigate risk.		
	In December 2014, the SD Advisory Committee, composed of 14 senior leaders from across the business, discussed the results of the materiality assessment and validated the prioritization of the material topics.		

Fairmount Santrol identified stakeholders to engage in the materiality assessment based on one or more of these criteria:

Have a deep knowledge of Fairmount Santrol

Influence Fairmount Santrol's operations and prosperity

Are significantly impacted by Fairmount Santrol's operations and prosperity

Possess expertise related to industry and/or sustainability topics relevant to Fairmount Santrol

Have the ability to collaborate with Fairmount Santrol to address key impacts, risks, and opportunities

Through the robust research, benchmarking, and stakeholder engagement, the following topics surfaced as most critical:

Material Topics: People

Safety	Providing Family Members with proper safety training and reminders, equipment, and safe working conditions; having emergency preparedness and response plans.
	Boundary: all internal operations; external operations – on-site suppliers and contractors in our areas of operation
Employer of Choice	Providing Family Members with best-in-class training and education, personal and career development, and health and wellness assistance; empowering Family Members to make a difference at work, in their own lives, and in the world through SD and volunteerism.
	Boundary: all internal operations
Compliance and Ethical Behavior	Making ethical and responsible decisions in daily practices, adhering to governance policies, and complying with applicable environment and social laws and regulations.
	Boundary: all internal operations
Product Health and Safety	Having proper equipment in place to manage silica dust; providing Family Members and customers with communication/training on proper use of products and dust management techniques to prevent silicosis; chemical exposure and disclosure; green chemistry initiatives and/or certification—reducing or eliminating chemicals of concern.
	Boundary: internal operations in which products are created and handled; external operations – customer operations globally, communities in our areas of operation
Community Impact and Partner of Choice	Managing our impact on communities in which we operate, including truck traffic, noise, and blasting impacts; engaging in dialogue with local communities to enable permitting and develop an ongoing positive relationship; being present, accessible, transparent, and proactive in explaining SD practices and addressing concerns.
	Boundary: external operations – communities in our areas of operation
Stakeholder Education and Influence	Educating and supporting suppliers, customers, peers, partners, and local businesses in the adoption of sustainable practices; educating investors about our commitment to SD and its value.
	Boundary: external operations – suppliers, customers, peers, partners, investors, and businesses in our areas of operation and globally

Material Topics: Planet

Air Quality	Reducing GHG emissions, nitrogen oxides, sulfur dioxide, volatile organic compounds, and particulate matter (e.g., dust) emitted from our operations; frequency of internal and third-party testing. Boundary: internal manufacturing and mining operations; external operations – communities in our areas of operation
Transportation Logistics, Efficiency, and Emissions	Fulfilling customer demand/orders accurately, safely, and on time; planning for, securing, and effectively executing efficient and reliable transportation; Managing utilization of railcars, trucks, and barges—filling to maximum capacity and reducing excess transportation; reducing GHG emissions, nitrogen oxides, sulfur dioxide, volatile organic compounds, and particulate matter released from transporting products. Boundary: internal transportation and logistics operations; external operations – supplier and transportation carrier operations

Water Use and Quality	Increasing the efficiency of freshwater withdrawals for use in operations; increasing the use of recycled water; managing impacts on groundwater and surface water supply; managing the quality of water output from mines and facilities that drain toward local surface water and groundwater resources; protecting local aquifers from damage or contamination; frequent internal and third-party testing. Boundary: internal manufacturing and mining operations; external operations – communities in our areas of operation
Solid Waste	Properly characterizing solid and liquid waste and identifying non-landfill beneficial reuse alternatives; reducing waste sent to landfill; managing proper disposal of waste sand; reducing packaging waste. Boundary: internal manufacturing and mining operations; external operations – communities in our areas of operation
Land Use, Reclamation, and Biodiversity	Evaluating, managing, and remediating damage to natural habitats resulting from mining activities; positively impacting species diversity and their ability to thrive during mining operations and post-closure. Boundary: internal mining operations; external operations – communities in our areas of operation
Energy Use	Reducing energy consumption; adopting renewable sources of energy. Boundary: internal operations; external operations – communities in areas of operation

Material Topics: Prosperity

Community Investment	Hiring from local communities; using local suppliers; investing in local infrastructure; giving financial donat to local organizations; volunteering time to enhance local communities; deeding acreage; contributing to sustainable communities beyond closure.	
	Boundary: external operations – communities in our areas of operation	
Product Innovation	Solving customer challenges and investing in innovation and technologies that advance sustainable products and practices.	
	Boundary: internal research and development operations; external operations – customer operations globally	
Prosperity of Family Members	Providing economic prosperity for Family Members through competitive wages, benefits, and profit sharing; providing the opportunity for meaningful work and long tenure.	
	Boundary: all internal operations	
Commodity Pricing and Demand	Foreseeing, planning for, and managing the impacts from fluctuating prices and demand for oil and gas, and industrial sand.	
	Boundary: all internal operations; external operations – customer operations globally	
Product Quality	Providing consistent, high-quality products with proper handling/storage to preserve product integrity.	
	Boundary: internal manufacturing and mining operations; external operations – customer operations globally	

Fairmount Santrol's Materiality Matrix



- 1 Safety (T1)
- 2 Employer of Choice (T1)
- 3 Compliance and Ethical Behavior (T1)
- 4 Product Health and Safety (T1)
- 5 Community Impact and Partner of Choice (T2)
- 6 Stakeholder Education and Influence (T2)
- 7 Diversity and Equal Opportunity (T3)
- 8 Labor Management Relations (T3)
- 9 Human Rights and Labor Practices in Supply Chain (T3)
- 10 Indigenous Rights (T3)



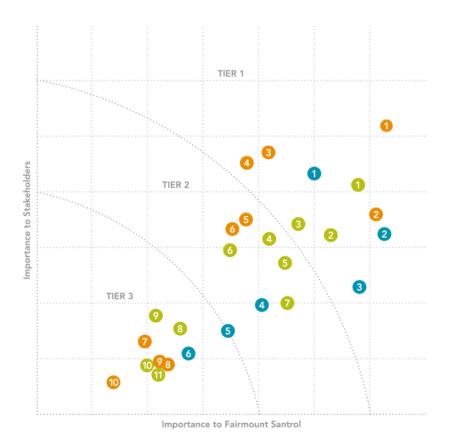
- 1 Air Quality (T1)
- 2 Transportation Logistics (T1)
- 3 Water Use and Quality (T1)
- 4 Solid Waste (T2)
- 5 Transportation, Efficiency, and Emissions (T2)
- 6 Land Management, Remediation, and Biodiversity (T2)
- 7 Energy Use (T2)
- 8 Product Lifecycle Management (T3)
- 9 Environmental Certifications (T3)
- 10 Water Use in Customer Operations (T3)
- 11 Water Quality in Customer Operations (T3)



1 Community Investment (T1)

- 2 Product Innovation (T1)
- 3 Prosperity of Family Members (T1)
- 4 Commodity Pricing and Demand (T2)
- 5 Product Quality (T2)
- 6 Intellectual Property (T3)

T1=Tier 1, T2=Tier 2, and T3=Tier 3



By engaging and listening to our internal and external stakeholders, we can better drive innovation, strengthen our capabilities, develop best practices, and be good neighbors.

Below are the stakeholder perspectives we gathered through our Appreciative Inquiry (AI) Summits, materiality assessment, and other engagement mechanisms.

Stakeholders' Topics of Importance

STAKEHOLDER GROUP	TYPES OF ENGAGEMENT	FREQUENCY OF ENGAGEMENT	TOPICS OF IMPORTANCE
Board of Directors	Al Summits, in-person meetings, calls	Regularly, customized as needed	Commodity Pricing and Demand, Compliance and Ethical Behavior, Employer of Choice, Product Health and Safety, Product Innovation, Product Quality, Prosperity of Family Members, Safety
Leadership Team	Al Summits, in-person meetings, calls	Regularly, customized as needed	Commodity Pricing and Demand, Community Impacts and Partner of Choice, Community Investment, Compliance and Ethical Behavior, Employer of Choice, Intellectual Property, Product Health and Safety, Product Innovation, Product Quality, Prosperity of Family Members, Safety, Transportation Efficiency and Emissions, Transportation Logistics
Family Members	Al Summits, Employee Engagement Survey, in-person meetings, calls	Regularly, customized as needed	Air Quality, Community Investment, Employer of Choice, Innovation, Prosperity of Family Members, Stakeholder Influence, Transportation Efficiency and Emissions, Transportation Logistics
Customers	Al Summits, surveys, interviews, in-person meetings, calls	Regularly, customized as needed	Compliance and Ethical Behavior, Product Health and Safety, Product Innovation, Product Quality, Transportation Logistics
Communities and Regulatory Agencies	Public hearings, open houses, newsletters, calls, in-person meetings, local media sources	Ongoing, customized as needed	Air Quality, Biodiversity, Community Impact and Partner of Choice, Community Investment, Compliance and Ethical Behavior, Land Management, Remediation, Safety, Water Use and Quality
Subject Matter Experts	Al Summits, in-person meetings, calls	Annually, as needed	Air Quality, Community Impact and Partner of Choice, Compliance and Ethical Behavior, Safety, Transportation Efficiency and Emissions
Suppliers (Transportation, Chemical, etc.)	Al Summits, surveys, in-person meetings, calls	Ongoing	Commodity Pricing and Demand, Product Innovation, Safety, Solid Waste, Stakeholder Education and Influence, Transportation Efficiency and Emissions, Transportation Logistics
Investors	Al Summits, quarterly calls, press releases, in-person meetings	Ongoing	Commodity Pricing and Demand, Community Impact and Partner of Choice, Product Innovation, Transportation Logistics
Peers and Industry Associations	Al Summits, membership/attending in- person meetings, calls	Regularly, customized as needed	Air Quality, Biodiversity, Compliance and Ethical Behavior, Land Management, Remediation, Product Health and Safety, Safety, Solid Waste

We sincerely appreciate our stakeholders' interest in engaging with us and the valued time they gave to assist us in prioritizing our most important topics. Their support helps Fairmount Santrol *Stay True* to our ongoing commitment to sustainable development.

Our Materiality Results: Significant Impacts, Risks, and Opportunities

The materiality assessment validated many topics we have historically known to be important to our organization. We identified topic owners for each of the 17 material topics and worked to better understand how each topic is being managed. We continue to align our management and SD Team efforts with our material topics and strengthen our measurement of key performance indicators. And in late 2016 and early 2017 we developed Vision 2020 Goals for each topic to propel us toward a flourishing future. Throughout the People, Planet, and Prosperity sections you will learn about our management approach and progress. In late 2017 we plan to refresh our materiality assessment prior to our next Al Summit currently planned for 2018.



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GOALS AND PROGRESS

2016/2017 GOALS VISION 2020 GOALS

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Each year, our SD Advisory Committee and SD Teams set goals that positively impact our business. We then closely monitor and measure progress on our goals. To reward our Family Members for *Staying True* to our SD goals, we provide financial incentives for achieving them. We aim for these goals to make a positive impact on People, Planet, and Prosperity, in topic areas that are material to our business.

In 2016, here are some of our notable accomplishments:

We outperformed the industry average Lost Time Incident Rate (LTIR) and surpassed the record for our best year Total Case Incident Rates (TCIR).

Our Family Members dedicated more than 9,800 volunteer hours to the communities in which we live and work.

We achieved zero waste at 27 of our 31 facilities in operation, including our largest facility in Wedron, Illinois.

To sequester 100 percent of our Q4 2015 through Q3 2016 Scope 1 and 2 GHG emissions, we funded the planting of over 102,000 trees, with 10 percent of the trees planted by our Family Members in our communities.

Due to the generosity of our investors' contributions in years past, we donated \$1.2 million to our communities through the Fairmount Santrol Foundation, with a significant portion of that funding the health and wellness and education of the next generation.

SD Pays

Our SD investments positively impact our people, our communities, and the planet, and also drive prosperity for our business through cost savings and revenue generation. We track our investment in SD and the return on our investment, calling this "SD Pays."

Annually, our SD Pays Standardization Committee manages our measurement methodology, clearly outlining which types of projects create SD Pays, the SD expenses to include, and how to calculate the project value. This helps our business and stakeholders to clearly see how sustainable development at Fairmount Santrol drives value creation.

2016 SD Pays

Total SD Pays	\$9,000,000
SD Expenses	\$1,500,000
Net SD Pays	\$7,500,000

Our SD Team's Bold Goals for 2016 and 2017

SD TEAM	2016 HIGH-LEVEL BOLD GOAL	2016 YEAR-END STATUS	2017 HIGH-LEVEL BOLD GOAL
Best Practice	Implement 12 best practice productivity projects and achieve a minimum of \$250,000 in SD Pays.	Achieved	Implement 12 best practice productivity projects and achieved \$300,000 in SD Pays.
Business Innovation	Partner with another SD Team or Business Unit to benchmark industry best practices for a Tier 1 materiality topic.	Achieved	Establish an Open Innovation Management (OIM) platform to generate new ideas from Family Members.
Clean Water	Continue to improve water efficiency at facilities through sharing best practices, enhancing water management plans, and tracking opportunities for water reduction, as well as educating our Family Members and communities around water reduction.	Achieved 94% of goal	Evaluate and improve quality and sources of drinking water at facilities.
Communications and Appreciative Inquiry (AI)	Develop and implement an Al Connections platform for introducing Family Members across locations.	Achieved 96% of goal	Strengthen appreciative culture by developing and delivering Al workshop to Family Members.
Environmentally Responsible Products and Processes	Implement or improve environmentally responsible products and processes that achieve a total annualized SD Pays of \$250,000. Engage customers in product innovation and sustainable development.	Achieved 81% of goal	Advance product and process innovation through three initiatives: publishing a white paper, proposing a mill coating product, and improving resin processes. Engage oil & gas and foundry customers on innovation and sustainable development.
Empower U	Roll out two new courses and achieve the equivalent participation of at least one Empower U-sponsored course offering per Family Member.	Achieved	Roll out one course offering and one Learning Challenge. Achieve the equivalent of at least one hour of Empower U sponsored course education per Family Member and have 20% participation in the Learning Challenge.
Health and Wellness	Design three wellness challenges and achieve 25% participation from Family Members.	Achieved	Present an employee wellness award and achieve 45% participation in at least one wellness challenge.
Quest for Eco-Efficiency	Sequester 100% of GHG emissions from Q4 2014 – Q3 2015. Implement an energy efficiency project to eliminate one half of 1% of Fairmount Santrol's 2015 GHG emissions. Complete three biodiversity conservation projects.	Achieved 87% of goal	Sequester 100% of GHG emissions from Q4 2015 – Q3 2016. Implement one conservation project per active region and one energy efficiency project.
Recover, Recycle, Reuse	Reach zero waste to landfill for all Fairmount Santrol facilities globally.	Achieved 96% of goal	Reach zero waste to landfill for all Fairmount Santrol facilities globally, and audit all operating facilities for zero waste.
Safety	Achieve better than industry, and better than our best year, Lost Time Incident Rate (LTIR) and Total Case Incident Rate (TCIR).	Achieved 80% of goal	Achieve better than industry, and better than our best year, Lost Time Incident Rate (LTIR) and Total Case Incident Rate (TCIR). Achieve 1,000,000 safe working hours.

SD TEAM	2016 HIGH-LEVEL BOLD GOAL	2016 YEAR-END STATUS	2017 HIGH-LEVEL BOLD GOAL
Social Responsibility	Increase the average total volunteer hours (paid and personal) per employee throughout Fairmount Santrol.	Achieved 94% of goal	Increase the average total volunteer hours (paid and personal) per employee throughout Fairmount Santrol.
Sustainable Mobility	Through max-loading, increase total railcar loading efficiency across the company.	Achieved	Sustain high railcar utilization rates, increase unit train utilization rate, and improve truck load out time.
Sustainable Value Chain	Advance one of the key SD materiality topics by partnering with members of our value chain (customers, suppliers, and/or innovators) to identify and implement one value chain initiative.	Achieved	Find and implement a solution to one pressing business challenge. Meet with Family Members from five operational facilities to evaluate opportunities to innovate with suppliers and customers.

Additional details regarding our 2016 accomplishments are integrated throughout the People, Planet, and Prosperity sections.



about this report

STAYING TRUE | 2016 CORPORATE SOCIAL RESPONSIBILITY REPORT

GOALS AND PROGRESS

2016/2017 GOALS VISION 2020 GOALS

We are pleased to announce our Vision 2020 Goals. These goals strengthen the prioritization of the topics identified in our Fall 2014–Spring 2015 materiality assessment. They represent the culmination of our SD Teams' work to date and strong vision for the future.

Vision 2020 Goals: People

Safety	Safety for life: 100% safety at work and at home every one, every day, every time
Employer of Choice	Develop a robust learning and development platform to advance and retain Family Members
Compliance and Ethical Behavior	Evaluate risk management profile and then provide corresponding robust and comprehensive compliance and ethical behavior training program for 100% of Family Members annually
Product Health and Safety	By 2020 we will have commercialized at least two new products from a new and environmentally-friendly chemistry
Community Impact and Partner of Choice	Create a documented community engagement plan for every single FMSA facility (plant, office, or terminal)
Stakeholder Education and Influence	Influence suppliers: 50% percent of our spend will be with suppliers who advance in SD, as measured by survey responses and/or GRI/UNGC reporting

Vision 2020 Goals: Planet

Air Quality	Produce products with lower potential dust, reducing potential dust for customers by 80 % vs. 2016 baseline Reduce GHGs / ton of product shipped by 10%
Transportation Logistics, Efficiency, and Emissions	100% of all oil & gas product shipped via rail will be shipped as unit trains
Water Use and Quality	Improve water efficiency (fresh water use) per ton produced by 10% by 2020
Solid Waste	All FMSA facilities will be zero waste to landfill
Land Use, Reclamation, and Biodiversity	All current and former sand production facilities will be Wildlife Habitat Certified by 2020

Vision 2020 Goals: Prosperity

Community Investment	Get to 100% volunteering participation, achieving 20,000 hours of paid volunteer time in one year, above an average of 25 hours of paid volunteer time per FMSA Family Member per year by the end of 2020
Product Innovation	Generate at least ten new patents by 2020
Prosperity of Family Members	Achieve Family Member retention rate at or above 85%; achieve 100% participation in annual Survey and > 80% positive score
Commodity Pricing and Demand	Diversify portfolio to allow optimization of plant assets: Double I&R sales from 2016 baseline of 2.5 million tons to 5 million tons while maintaining or reducing the current cost per ton
Product Quality	Improve our customer satisfaction rate for raw sand and for value added products to 100%

Fairmount Santrol sees alignment between our Vision 2020 goals and the following United Nations' Sustainable Development Goals (SDGs), improving the lives of people across the world:







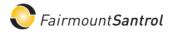
Throughout fluctuating market conditions, Fairmount Santrol has *Stayed True* to investing in what we believe is key to a thriving business—People. We are committed to doing everything it takes to ensure our Family Members work and arrive home safely, every day. Our leading compensation and benefits program, our appreciative culture, and the opportunities we provide our Family Members to develop new skills and participate in our sustainable development initiatives all make Fairmount Santrol a special place to work. We are committed to ethical business practices, making a positive impact in our communities, and raising standards across our industry and the industries we serve. Our mission to "Do Good. Do Well." extends to those who handle, use, or are impacted by our products. We work with and educate suppliers, customers, and various community groups to elevate safe and sustainable practices.

The pages throughout the People section of this report describe our organizational approach, goals, and performance for each of these topics.

- Safety
- Employer of Choice
- Compliance and Ethical Behavior

- Product Health and Safety
- Community Impact and Partner of Choice
- Stakeholder Education and Influence







STAYING TRUE | 2016 CORPORATE SOCIAL RESPONSIBILITY REPORT

SAFETY

OUR APPROACH ANNUAL PERFORMANCE

G4-DMA

Every day, Fairmount Santrol works to ensure our Family Members are safe and healthy at home, at work, and at play. We aim to protect our Family Members and stakeholders by continuously improving our safety management practices and performance indicators. Health and safety is a core value at Fairmount Santrol for "Every One, Every Day, Every Time."

Safety and Health Management System

In 2009, we established the Fairmount Santrol Safety and Health Management System (SHMS) to promote a culture that encourages safe behaviors and strives for continuous performance improvement. We utilize this system to identify, manage, and eliminate risks to Family Members and stakeholders at facilities within our control or influence.

The Fairmount Santrol SHMS includes programs and guidelines to meet or exceed compliance with all local, state, and federal legislation, standards, regulations, and policies. It includes the following Procedural Modules:

Safety and Health Policy	Operational Control
Hazard Identification, Risk Assessment, and	Emergency Preparedness and Response
Determining Controls	Performance Measurement and Monitoring
Legal and Other Requirements	Evaluation of Compliance
Objectives and Programs	Incident Investigation, Non-Conformity, Corrective
Resources, Roles, Responsibility, Accountability, and	Action, and Preventative Action
Authority	Control of Records
Competence, Training, and Awareness	Internal Audit
Communication, Participation, and Consultation	Management Review
Documentation	Industrial Hygiene
Control of Documents	Job Safety Analysis (JSA)

Each of our facilities aims to achieve compliance with the Occupational Health and Safety Assessment Specification (OHSAS) 18001 System as part of its SHMS within five years of opening or being acquired.

To monitor and report our core safety data requirements, we use an industry-leading software application that we continually update and improve. We conduct regular internal audits of our 31 health and safety programs, as well as specific auditing for the Occupational Safety and Health Administration (OHSA) and the Mine Safety and Health Administration (MSHA), to identify opportunities for improvement. During incident investigations, we utilize the "Five Why, Five How" process of probing questions to drill down to the most effective solution.

Emergency Response

In addition to the Fairmount Santrol SHMS, we have an Emergency Action Plan (EAP) and a Crisis and Media Relations Management Plan. All Family Members who work in operations attend EAP training upon hiring and annually thereafter, and we hold a minimum of two emergency action drills at each facility annually. The EAP addresses:

Blood-borne Pathogens	Hurricanes
Civil Emergencies	Incident Reporting Guidelines
Crisis Management Team	Means of Egress, Emergency Drills
Earthquakes	Medical Emergencies
Emergency Notification	Pest Controls
Emergency Response	Security
Evacuation Systems	Severe Weather and Floods
First Aid and CPR, Automatic External Defibrillator	Tornadoes
(AED) Program	Vehicular Accidents
Fire and Explosion	Warnings and Alarm Systems
Groundwater Management	Workplace Violence Prevention and Response

Safety Training

Our training program guides all Family Members to consider safety for "Every One, Every Day, Every Time." It is imperative that safety training starts in our new employee orientation process. For our Family Members working in logistics, manufacturing, and mining, this initial safety training can range from a minimum of eight hours to 40 hours. We provide additional safety orientation in the field including task-based training.

Supervisors attend annual safety training sessions and receive one-on-one training to incorporate safety measures into their facilities. In addition, at each facility, our regional safety coordinators provide support for our health and safety initiatives. Production facilities hold monthly training sessions to address core safety requirements outlined in the annual health and safety agenda.

We also require all Family Members who spend time in the field to complete annual safety refresher training, including our office staff. Our safety team customizes safety modules to each location, ensuring the information provided is engaging and applicable. To further reinforce the importance of safety, we begin all meetings, regardless of their nature, with a safety message. For example, each meeting of our board of directors, senior executive management team, finance, HR, SD, and production employees begins with a safety message to remind all Family Members of the value and importance of safety.

Safety Incentives

To further encourage the adoption of our safety training material into practice, we administer a proactive incentive system that rewards our Family Members for their individual, facility, and company-wide safe work practices. When our teams meet safety targets, we pay bonuses to continue encouraging Family Members to demonstrate safe work behaviors, and to reinforce that safety is our number one priority.

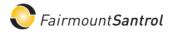
Bringing Safety Home

According to the National Safety Council, most injuries occur outside of working hours. Our "Bringing Safety Home" program encourages Family Members to keep their homes safe and positively influence family and friends by sharing simple reminders about safety for daily living. As part of this program, Family Members receive a quarterly safety magazine, and have access to personal protective equipment for children, smoke detectors, and first aid training sessions for their families. Additionally, we publish a family health and safety calendar that promotes safe practices at home, such as the use of fire extinguishers and safe practices during outdoor activities such as swimming or gardening.

Contractors

Our Independent Contractor Safety Program includes contractor training on hazard warning recognition and decreasing occupational risks. This includes site-specific training for all visitors to FMSA sites, and additional education for contractors working on-site for extended periods of time.

We regularly monitor our facilities to ensure all contractor activities comply with applicable federal and state regulations and the requirements and policies of each facility. Our Environmental, Health, and Safety and Qualification Evaluations enable us to maintain consistency, provide continuous improvement opportunities, and quantify contractor compliance with our guidelines and policies.





STAYING TRUE | 2016 CORPORATE SOCIAL RESPONSIBILITY REPORT

SAFETY

OUR APPROACH ANNUAL PERFORMANCE

G4-LA6

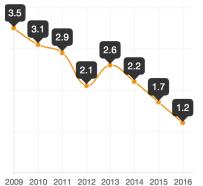
Safety Performance

Fairmount Santrol has *Stayed True* to our ongoing annual safety goal to achieve a better-than-industry and better-than-our-best-year Total Case Incident Rate (TCIR) and Lost Time Incident Rate (LTIR). In 2016, we outperformed the industry average for both metrics. We also surpassed our best year TCIR, with only 1.2 recordable incidents per 100 full-time employees.

TOTAL CASE INCIDENT RATE (TCIR)

Total Case Incident Rate: The number of recordable incidents per 100 full-time employees in a given time frame.

FMSA



Industry



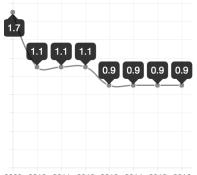
LOST TIME INCIDENT RATE (LTIR)

Lost Time Incident Rate: The number of lost time cases per 100 full-time employees in a given time frame.

FMSA

Industry





2009 2010 2011 2012 2013 2014 2015 2016

Family Member Participation in Incident Investigation

In 2016, we conducted incident investigation training across all Fairmount Santrol locations. Our safety department trained and provided resources to all facility managers, who shared virtual modules with Family Members at our July monthly meetings.



Safety Savings

Our Experience Modification Rate (EMR), calculated based on industry classification and workers' compensation claims activity, is the primary factor in determining workers' compensation insurance premiums. Our strong safety culture has resulted in an average EMR of 0.6 since 2010, which is much lower than 1.0, the industry average. Due to our robust safety efforts, over the last seven years, we estimate that Fairmount Santrol has saved approximately \$2.4 million in workers' compensation premiums.

OHSAS 18001 (Occupational Health and Safety Assessment Specification) 2016 Site Compliance

Bridgman, MI*

Chardon, OH

Hager City/Bay City, WI**

Harrietta, MI*

Maiden Rock, WI*

Menomonie, WI

Roff, OK

Shakopee, MN*

Troy Grove, IL

Wedron, IL

Yixing, China

*Facilities closed or idled in 2016 **Idled/closed in 2016; currently functioning as a terminal



American Foundry Society Metalcasting Safe Year Award – Benton Harbor, MI, Chardon, OH, Detroit, MI, Hamilton, Ontario, Troy Grove, IL, Wedron, IL, and Wedron, IL – Resin

Mine Safety and Health Administration Certificate of Achievement in Safety – Harrietta, MI*, Maiden Rock, WI*, Menomonie, WI, and Shakopee, MN* Illinois Association of Aggregate Producers (IAAP) Rock Solid Safety Gold Award – Wedron, IL mine

Industrial Minerals Association-North America (IMA-NA) Recognition Program for Excellence in Worker Safety – Chardon, OH mine

*Facilities closed or idled in 2016

Safety Initiatives

In 2016, we improved our safety program and performance in various ways:

We added 11 online training modules for office safety that cover topics such as ergonomics, office lighting, computer/desk posture, parking lot safety, and taking standing breaks.

We modified transloaders at our Pleasanton, Sweetwater, and Somerville locations to minimize risk of injury during railcar loading and maintenance activities.

Our safety department worked with operations and logistics to create Job Safety Analysis documents that share best practices and risks for four different operational positions. They also completed checklists that our operations team members can use to ensure they address all safety needs at facilities.

We formed a Housekeeping Best Practices Team to standardize procedures for safely cleaning and maintaining plant work areas and facilities.

Our Safety SD Team hosted a slogan contest to educate and engage Family Members.

We also hosted an educational campaign during Rail Safety Month in September.

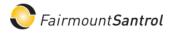
We progressed towards our goal of having all Fairmount Santrol Family Members complete Red Cross First Aid and CPR training. 47 percent of our population is currently certified in First Aid and 35 percent is certified in CPR/AED.



Protecting Our Family Members from Snake Bites

In our Southern region in Texas, rattlesnakes can be a safety concern. We are committed to protecting Family Members who mow, weed, or complete other work on the land surrounding our facilities. In 2016, Fairmount Santrol purchased a supply of snake bite treatment to ensure we are prepared for any emergency situations. We also provide equipment such as snake proof chaps that helps to protect our Family Members.

VIEW OUR APPROACH





STAYING TRUE | 2016 CORPORATE SOCIAL RESPONSIBILITY REPORT

EMPLOYER OF CHOICE

OUR APPROACH ANNUAL PERFORMANCE

G4-DMA, G4-LA10

Fairmount Santrol aspires to attract and retain top talent by fostering an appreciative culture, encouraging engagement in sustainable development (SD), and empowering Family Members to innovate and advance SD. We strive to be an employer of choice by providing Family Members with training and education, personal and career development, health and wellness programs, and strong employee benefits.

An Appreciative Culture

We aim to empower Family Members through our appreciative culture. Appreciative Inquiry (AI) is a strength-based methodology to inspire positive, whole-system change, building on our best. It is centered around the principal of systematic discovery to envision a future based on strengths.

At Fairmount Santrol we conduct Appreciative Inquiry Summits, every three to four years, where Family Members and our external stakeholders co-create a vision for a sustainable future focused on using our strengths, values, and bold ideas. Our fourth AI Summit was held in 2014 and was attended by nearly 600 Family Members and 60 external stakeholders. We will host our next AI Summit in 2018.

Growth Through SD Leadership

We offer growth opportunities to Family Members by taking on SD responsibilities. We encourage Family Members to join one of our 13 SD Teams, lead or co-lead an SD Team, or add an SD dimension to their daily job. For example, any Family Member can join an SD Team and help contribute ideas, conduct SD research, innovate new processes, or manage an SD-related project.

SD involvement advances our "Do Good. Do Well." Mission, and many Family Members find it to be personally fulfilling while developing new skills and advancing their careers. Engagement in SD Teams provides diverse learning experiences that adds value to Fairmount Santrol. Furthermore, our SD Advisory Committee allows executives and senior leaders to contribute their leadership skills to SD for several years, with membership changing over time.

Employee Training

We also encourage our Family Members' growth through education. Our Empower U SD Team and various other SD Teams develop and deliver training on a wide range of key topics to our Family Members annually. Family Members can access hundreds of unique training courses on our online learning platforms. We currently use Udemy, a platform with cost-effective and diverse course offerings.

Development Dialogues

Through midyear and annual Development Dialogues, Family Members may discuss performance and development opportunities with their managers—focusing on their strengths, accomplishments, and annual objectives. This process aligns individual goals with departmental and organizational goals, ensuring that all Family Members feel a part of fulfilling our company vision. Family Members can also create Individual Development Plans (IDPs) that serve as catalysts for strengthening their leadership and career development opportunities.

We have trained 60.2 percent of our salaried Family Members on the Development Dialogue process, as well as a portion of our hourly team. In the future, we aspire to train all Fairmount Santrol Family Members.

Health and Wellness

Healthy employees are happier, safer, and more productive. Through our voluntary wellness program, smoking cessation tools, and wellness challenges, Fairmount Santrol encourages our Family Members to live healthy lifestyles at home and at work. To plan for future medical expenses, Family Members may choose to divert pre-tax income to a Health Savings Account (HSA), a wealth accumulation vehicle that allows users to save money tax-free to pay for medical costs. In addition, our Welli Award recognizes Family Members who have demonstrated commitment and success in personal health and wellness.

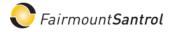
Diversity and Inclusion

Fairmount Santrol is committed to promoting diversity and inclusion (D&I) within our workforce. In 2016, our Human Resources team developed a comprehensive D&I strategy to attract and retain women, minorities, veterans, LGBTQ individuals, and hiring applicants with criminal convictions. We also began planning for a cross-functional Diversity Council, which will begin implementing the four-phase plan in 2017.

Retention

Retaining Family Members is a high priority at Fairmount Santrol. Beyond our unique culture, we offer a best-in-class employee benefits plan and solicit regular feedback from our Family Members. We believe our Family Members choose to work at Fairmount Santrol because they share our commitment to ethics, sustainability, and community investment. They understand that SD creates opportunities, which can improve prosperity for our entire Fairmount Santrol Family. In 2017, we plan to conduct a formal employee survey to assess levels of Family Member engagement.

VIEW ANNUAL PERFORMANCE





STAYING TRUE | 2016 CORPORATE SOCIAL RESPONSIBILITY REPORT

EMPLOYER OF CHOICE

OUR APPROACH ANNUAL PERFORMANCE

G4-LA10

Employee Training

Our Empower U SD Team developed and implemented two special training courses in 2016. First, our Mind, Body, Advancement (MBA) course focused on helping participants to manage stress by improving wellness and strengthening the mind-body connection. 155 Family Members took the course.

In addition, the Empower U SD Team offered a Survival Training course that educated participants on survival techniques for emergency situations. We teamed up with Corvus Training Group, a company started by disabled military veterans who are trained in special operations and explosive ordnance. The course was hands-on; for example, it allowed Family Members to start a fire by using something as simple as a battery and a steel wool pad. Our Family Members appreciated their expertise and shared positive feedback about the course. In total, 259 of our Family Members completed over 650 hours of Survival Training.

2016 EMPLOYEE TRAINING HOURS

TOTAL	AVERAGE PER EMPLOYEE
13,293.5 hours	17.87 hours

Health and Wellness

In 2016, Fairmount Santrol hosted several challenges to encourage our Family Members to embrace a healthy lifestyle. Our Biggest Winner competition included teams of four that supported each other in shedding a total of 1,955 pounds collectively. Nearly 50 percent of our Family Members participated, and we held a drawing at the end to reward 19 winning teams for their commitment.

Our S.M.A.R.T. (Specific, Measurable, Attainable, Relevant, and Time-Bound) challenge rewarded employees who completed goals outlined on a bingo card. These included actions such as eating more fruits and vegetables and completing a random act of kindness. We had over 200 Family Members participate, approximately 30 percent of our population. Lastly, our Healthy Habits competition rewarded teams that completed habits such as eating healthy meals, exercising for 30 minutes, and getting more than 7 hours of sleep.

Announcing Our First Welli Award Winner

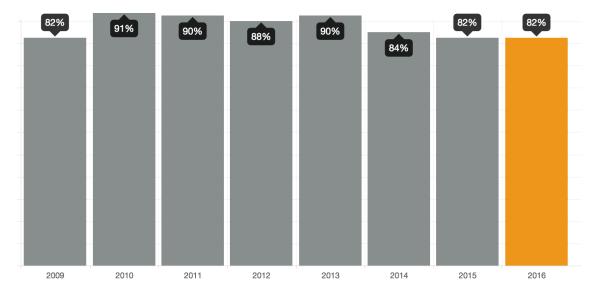
In 2016, our Health & Wellness SD Team implemented our first "Welli Award." The award recognizes a Family Member that demonstrated commitment and success in managing their personal health and wellness. Christy Blain was our 2016 Welli Award winner. Her commitment to health and fitness includes several marathons and Ironman triathlons. As part of the prize, Christy received a \$1,000 charitable contribution, which she chose to donate to The Blazeman Foundation for ALS.



Development Dialogues

Staying True to our commitment to investing in people, Fairmount Santrol aims to offer our Family Members opportunities to assess and enhance their performance. To date, we have trained about 40 percent of our employee population on the Development Dialogue process. Of this group, 28 percent completed Development Dialogues with their managers in 2016. In 2017, we plan to train more Family Members on this process.

EMPLOYEE RETENTION RATE*



*Rates exclude seasonal and temporary employees and involuntary turnover.

Congratulations to the 2016 SD Employee of the Year and Bill Conway Founders Award Winner: Kevin Traun, Menomonie, Wisconsin

Each year we open the Sustainable Development (SD) Employee of the Year nomination process to all Family Members to nominate their peers from any facility. We select one winner from each location. From those winners, our co-founder, Bill Conway, selects one individual for his or her outstanding commitment to SD and recognizes him or her with the Bill Conway Founder's Award.

For 2016, we are pleased to recognize Kevin Traun. Kevin embraces the ideals and principles of Sustainable Development through his personal contribution of time, talent, and treasure. Kevin works in electrical engineering at our Menomonie, Wisconsin facility where he plays an integral role in helping the facility exceed 100%

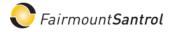


We also select SD Employees of the Year at each of our facilities.

LOCATION	2016 SD EMPLOYEE OF THE YEAR
Beaver, OH	Ryan Christopher
Benton Harbor, MI	Scott Meyer
Black Lab – Chardon, OH	Kurt Krebs
Black Lab – Serena, IL	Matt Shinnick
Chardon mine, OH	Jeff McKay

Chesterland/Chardon, OH Janelle Burnheimer Detroit, MI Charlie Mifsud	
Detroit, MI Charlie Mifsud	
Lakeshore, Ontario, Canada Mike Perkins	
Menomonie, WI Kevin Traun	
Ottawa Corp/Wedron Tech Center, IL Amanda Valdez	
Santrol De Mexico Eloy Selinas	
Santrol Yixing Proppant, China Cindy Fan	
SSP Roff, OK Cindy Kile	
Sugar Land, TX Tanya Kellner	
TechniSand Roff, OK Patsy Payne	
Terminal – Elk City, OK Joshua Jackson	
Terminal – Monahans, TX Abel Sandoval	
Terminal – Pleasanton, TX Joseph Trevino	
Terminal – Sweetwater, TX Albert Martinez	
Voca Sand, TX Jeremy Shields	
Wedron, IL Ellen Anderson	

VIEW OUR APPROACH





STAYING TRUE | 2016 CORPORATE SOCIAL RESPONSIBILITY REPORT

COMPLIANCE AND ETHICAL BEHAVIOR

OUR APPROACH ANNUAL PERFORMANCE

G4-DMA, G4-56

Ethics unite Fairmount Santrol in our vision for sustainability. Our three pillars of Honesty, Trust, and Integrity form the foundation of this commitment. We empower our Family Members to make ethical decisions throughout their work. This also includes meeting or exceeding all local, state, and federal regulations.

Governance for Ethics and Compliance

Fairmount Santrol's commitment to ethics begins with our executive management team. Our executives demonstrate ethical behavior and drive our adherence to all applicable rules and regulations. They drive our ethics and compliance program, which includes comprehensive policies, procedures and controls, training and communication, observation and analysis, and evaluation and improvement. Our legal department administers the program, continually making improvements and determining disciplinary actions.

We expect all Family Members to take ownership of compliance and perform all tasks with honesty and integrity. Our governance policies define what we expect of our people and our business partners. They set forth clearly written standards for behavior, including:

Anti-Corruption Policy Corporate Authorization Policy Corporate Code of Business Conduct and Ethics Corporate Governance Guidelines Financial Code of Ethics Insider Trading Policy Public Disclosure Policy Related Party Transactions Policy Social Media Policy Whistleblower Policy

We expect Family Members to know and adhere to all the compliance and ethical behavior standards with respect to their job function. When performing daily tasks, we want all associates to show the utmost respect for the company, their peers, and the communities in which we operate.

Fairmount Santrol provides access to a confidential, anonymous hotline for reporting questionable accounting and compliance matters through www.mysafeworkplace.com. The whistleblower hotline can be reached 24 hours a day, seven days a week.

Our Ethics Code

Our Corporate Code of Business Conduct and Ethics forms the core of our program. The Code guides our business conduct so that we lead with honesty, trust, and integrity in all decisions. We require all Family Members to read, understand, and follow the Code both in the workplace and our communities. It covers issues such as:

Avoiding potential conflicts of interest

Ensuring fair relationships with customers and suppliers

Protecting data

Properly using company assets

Compliance Training

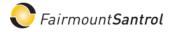
Our legal team leads education, consultation, monitoring, and assessment for our Code and compliance practices. Family Members receive a variety of ethics and compliance training courses and messages each year administered by our Director of Securities and Compliance. We offer in-person and online training to all Family Members with company-provided email addresses.

In the fourth quarter of each year, Family Members receive an online course certifying their understanding and compliance to our Code. We supplement this with additional courses, role-dependent trainings, and brief ethics-related messages throughout the year. Additionally, all Family Members read and sign our Employee Handbook, which outlines our company values, practices, and policies for ethics.

Compliance in Our Supply Chain

Our dedication to integrity extends to our supply chain. We assess our suppliers for compliance and ethical conduct before establishing a formal relationship. Our internal and external stakeholders unite to uphold compliance and ethical behavior across our supply chain. We believe in generating shared success with our suppliers through fair and balanced agreements.

VIEW ANNUAL PERFORMANCE





COMPLIANCE AND ETHICAL BEHAVIOR

OUR APPROACH ANNUAL PERFORMANCE

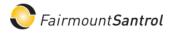
G4-56

As Fairmount Santrol strengthens our foundation for future growth, we hold ourselves accountable for Staying True to the highest ethical standards. We made several enhancements in 2016 to our corporate compliance program. For example, we refined our Corporate Authorization Policy included in our governance standards. The policy establishes the appropriate internal control procedures and acceptable best practices for obtaining review and approval of transactions, agreements, and commitments that bind the Company and decisions that expose the Company to risk. The primary objectives of this Policy are to provide the appropriate level of responsibility and accountability and establish review levels and dollar amounts that make sense given the Company's current organizational structure and business processes.

We also developed and launched an ethics and compliance communications campaign. With the support of our board of directors and executive management team, this initiative aligns with industry best practices for corporate ethics and compliance programs. The campaign includes two-minute "Ethical Moment" videos with key ethics-related messages, for example: Think Before You Click; Ponder Your Posts; Avoiding Conflicts of Interest; Confidential Information: Loose Lips; and Speak Up: Raising Concerns at Work.

In 2017, we will continue to drive awareness by integrating ethics and compliance messaging into meeting agendas and additional educational opportunities for Family Members without email access.

VIEW OUR APPROACH





PRODUCT HEALTH AND SAFETY

OUR APPROACH ANNUAL PERFORMANCE

G4-DMA, INDICATOR, G4-LA6

Our dedication to safety extends to all who create, handle, distribute, and use our products. We take steps to ensure our Family Members are safe and healthy in the workplace, our customers know how to responsibly handle and use our products, and our product formulations are safe.

Managing Workplace Health

Fairmount Santrol is vigilant in protecting our Family Members from potential crystalline silica dust exposure. Our Silicosis Prevention and Occupational Health Programs include the following practices that keep our team safe:

We continually look for ways to minimize potential respirable silica dust across our products' lifecycle.

We provide training to every Family Member who may be exposed to respirable silica dust.

We monitor sites to ensure use of personal protective equipment and safe product handling practices.

Our facilities utilize state-of-the-art technology and engineering methods to manage the potential for respirable silica dust exposure.

We periodically test 100 percent of Family Members who could be exposed to silica dust.

Due to these efforts, the average potential exposure to respirable crystalline silica dust for our Family Members is below the threshold deemed protective by the National Institute for Occupational Safety and Health (NIOSH).

Employee Health Testing

Fairmount Santrol requires all new employees to complete a screening process to establish a baseline for respirable silica dust exposure. Every two years, we evaluate the well-being of 100 percent of Family Members who could be exposed to silica dust, with health testing, pulmonary evaluations, and X-rays. To gather data, we ask a representative sample of workers to wear sampling systems that collect respirable dusts. These illustrate what the individual could be breathing.

While regulation only requires a sample from one percent of our population, we submit samples from 10 percent. We publish test results through the National Industrial Sand Association (NISA) and have had no reported cases of silicosis for more than 20 years. Furthermore, we work to raise the industry's health and safety standards through our leadership position with NISA.

Customer Safety

Our customers share our high standards for safety. To ensure compliance with the Occupational Safety and Mine Safety Health Administrations (OSHA and MSHA), we continually update and provide Safety Data Sheets (SDSs) for all of our products. We also work with an external consultant to review and strengthen the information we provide. These SDS sheets help our customers develop safety guidelines and proper handling procedures.

We train our sales and marketing teams on the latest safety information, which they share with our customers as needed. Further, we make safety-related resources about our products available to the public. We regularly seek feedback and respond to customer

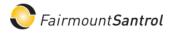
inquiries to ensure the health and well-being of their workforces.

Chemical Safety

We are dedicated to formulating solutions that enable safer product handling and use. We craft products that follow EPA, MSHA, and OSHA regulations and take pride in being compliant with ISO 9001, 14001, and 18001.

Our Research and Development (R&D) department completes a due diligence process and impact assessment before we use any chemical in our products or processes. Product managers work closely with our Safety and R&D teams to develop Safety Data Sheets (SDSs) for handling, usage, and disposal. From there, we route all product information through our environmental, production, quality, and sales teams as needed to provide responses for all customer inquiries.

Fairmount Santrol's commitment to product health and safety also strengthens relationships with customers by exceeding or meeting their needs. Both our Proppant Solutions and Industrial and Recreational (I&R) customers rely on us to develop environmentally preferable chemistries and products to improve industry performance. While the proprietary nature of our products prevents us from fully disclosing our product formulations, we work closely with customers to educate them about our products and their safe use.





PRODUCT HEALTH AND SAFETY

OUR APPROACH ANNUAL PERFORMANCE

G4-LA6

Fairmount Santrol goes beyond compliance for practices that impact our Family Members' and stakeholders' safety. *Staying True* to this commitment, in 2016 we set an ambitious goal to achieve levels of less than 50 percent of the Occupational Health and Safety Administration's (OHSA) new limits for potential silica dust exposure.

Exceeding New Regulations for Silica Dust

OHSA regulates permissible levels of respirable silica dust exposure in workplaces. These rules apply to all stakeholders across our value chain and vary by industry. Beginning in 2018, OSHA will reduce the silica dust exposure limit by 50 percent for sand used in foundry applications. In June 2021, a 50 percent reduction will also apply to respirable silica PEL for all our proppant products. Fairmount Santrol has developed a new, silica dust suppressant product (currently a developmental proppant) that during its first oil field trial passed the new OSHA regulations. We have planned additional field trials at various oil basins in 2017.

Due to the safety focus of our Family Members and customers, Fairmount Santrol is proud to have met these compliance standards ahead of the deadline. We've also gone further—by aiming to maintain facility exposure levels below 50 percent of the new limits. Our safety department and Best Practices SD Team developed a comprehensive strategy in 2016 that includes conducting benchmarks and incorporating best practices across facilities. They will continue implementing the plan in 2017.

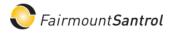
Once again, Fairmount Santrol reported zero cases of silicosis in 2016, a goal we have upheld for more than 20 years.

Product Improvements for Safety

Fairmount Santrol works to continually improve product safety while remaining cost-competitive. We made progress in 2016 to improve the dust mitigation performance of our products. Our ongoing goal is to actively identify partners that can help generate dust mitigation solutions for both our raw and resin-coated sand.

This year, we also completed a comprehensive study verifying there are no leachable chemical components (leachates) of concern in our phenolic Novolac resin-coated products. We plan to publish a white paper in 2017 to educate customers and other stakeholders about our product safety performance.

VIEW OUR APPROACH





COMMUNITY IMPACT AND PARTNER OF CHOICE

OUR APPROACH ANNUAL PERFORMANCE

G4-DMA, G4-SO1, G4-HR8

Fairmount Santrol is dedicated to being a responsible corporate citizen and welcomed neighbor. We believe there is a difference between simply adhering to a permit, and operating responsibly with a commitment to go beyond compliance. We actively address public interests early in the permitting process, engage in community dialogue, embrace transparency, and determine ways to meet our communities' needs.

We include information about our management approach and commitment to sustainable development within our permit applications, which address:

Air quality	Mine reclamation		
Biodiversity	Noise, lighting, and blasting – mine hours of		
Direct and indirect economic impacts	operations/time of day		
Ground vibration from controlled blasting operations	Plant design/aesthetics – views from the roadside		
	Social interests – property values, tourism, etc.		
Groundwater and surface water quality and quantity	Traffic		

Community Relationships

Our aim is to maintain an open line of communication with our communities. We customize our management approach to fit each community's unique needs. Our plant managers have responsibility for community engagement, responding to inquiries, opportunities and concerns, and determining solutions. Communication occurs via open houses, public meetings, community reports and newsletters, telephone calls, local media, and community events. For instance, when townships or clubs host monthly meetings, we periodically send a representative to serve as a source of information about our values, standards, and practices. We proudly welcome community members to open houses and site tours where we share our story and allow others to see how we operate.

Fairmount Santrol does not operate in areas of indigenous peoples—groups protected by national or international legislation as having a set of specific rights based on their historical ties to an area. Additionally, our Sustainable Supplier Code of Conduct encourages our suppliers to share our commitment to protecting human rights.

Managing Our Impacts

Fairmount Santrol monitors and addresses all federal, state, and local regulations that apply to our operations. We distinguish ourselves as a responsible operator by going beyond compliance for many regulations, especially those regarding environmental management and the health and safety of our communities.

We uphold required standards for groundwater and air quality monitoring and control at all of our facilities. During blasting, our Family Members and contractors use seismographs to collect data on air and ground vibrations. They produce blast reports, which show we are consistently below state and local regulation standards.

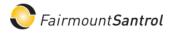
In addition, we manage noise within our operations and respond to public concerns through modifications that eliminate, reduce, or refocus noise. At many of our facilities, we select equipment with a lower noise rating. We also install noise barriers to limit how far noise can travel beyond our property boundaries.

Fairmount Santrol has been recognized for successfully managing impacts and going beyond compliance. For example, the Wisconsin Department of Natural Resources has designated our Wisconsin mining sites as Green Tier certified. Green Tier is a program which recognizes companies "that voluntarily exceed legal requirements related to health, safety, and the environment, resulting in continuous improvement in the state's environment, economy, and quality of life." Fairmount Santrol is the first mining company to receive Green Tier status.

Managing Impacts of Contractors

We seek contractors that value sustainable development and work with them to mitigate community impacts. Contractors must sign an agreement that requires safety, environmental, and community practices both on and off Fairmount Santrol property. If contractors return for more than a year, they must re-sign the agreement. We also expect all on-site contractors to comply with our zero waste initiatives by recycling, composting, and using waste-to-energy receptacles.

In addition, we require all contracted truck drivers to sign a code of conduct, which our dispatch company reviews annually. The code states that drivers must have personal protective gear, use fall protection, obey speed limits, and avoid the use of engine brakes, among other practices. We evaluate local traffic patterns and aim to reduce traffic associated with our operations during peak hours, such as school or work rush hours. To lessen this impact, in some communities we have built additional turning lanes in and out of facilities to enable safer merging.





COMMUNITY IMPACT AND PARTNER OF CHOICE

OUR APPROACH ANNUAL PERFORMANCE

G4-SO1

Fairmount Santrol holds ourselves responsible for protecting the well-being of our communities. Through all our business activities, we seek to continually improve our standards and practices for managing community impacts.

For the fifth year in a row, in 2016 we earned recognition by the Wisconsin Sustainable Business Council as a Green Master. The program highlights companies that have demonstrated strong performance through sustainability initiatives. By pursuing these types of awards, Fairmount Santrol demonstrates to our communities that we are committed to sustainable development.

Launching Our Wedron 7 Production Facility

In 2016, we celebrated the opening of our new, state-of-the-art Wedron 7 production facility in Illinois. From the beginning of the permitting process, Fairmount Santrol *Stayed True* to our belief in stakeholder inclusion by engaging our community in the expansion. We collaborated with the Environmental Protection Agency to hold a public information meeting to discuss our plans for managing impacts. These include constructing Wedron 7 in the interior of our Wedron site, which reduces noise and other community impacts. We also discussed construction traffic patterns.

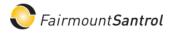
In May of 2016, we hosted a grand opening for the facility. We invited our Illinois Family Members and valued partners who worked on the project to celebrate. As we continue to operate our Wedron facilities, we are committed to engaging our community members and valuing their feedback.

Managing Impacts of Idled Facilities

Due to market conditions, Fairmount Santrol has idled or closed several facilities in recent years. Though inactive, we continue to monitor impacts and maintain permit requirements at these locations.

To learn more about our approach to managing impacts, please refer to the Air Quality and Land Management, Remediation, and Biodiversity sections of this report. For more information on the ways in which we are involved in our local communities, read our Community Investment section.

VIEW OUR APPROACH





STAKEHOLDER EDUCATION AND INFLUENCE

OUR APPROACH ANNUAL PERFORMANCE

G4-DMA, G4-LA14

Our motto and action orientation to "Do Good. Do Well." has proven to be a differentiator for Fairmount Santrol. While we continuously raise our own standards, we also make it a point to share our expertise, successes, and best practices with our stakeholders.

Transparency

We invest time in educating suppliers, customers, peers, partners and other businesses on the adoption of sustainable practices. We also educate investors about our commitment to SD and its value. Each year we publish our annual Corporate Social Responsibility report and other resources, such as a Report to the Community in our northern region. We highlight data about our SD initiatives during stakeholder presentations, such as safety metrics, employee training data, and return on investment statistics through our SD Pays measurement.

Our plant managers, SD Coordinators, and other Family Members host educational sessions for school children, colleges and universities, local clubs and businesses, government agencies, national associations, and conferences.

Regional Industry Associations

Fairmount Santrol participates in industry associations to raise standards and increase adoption of responsible practices. The Wisconsin Industrial Sand Association (WISA) is a statewide organization that promotes safe and environmentally sound sand mining standards, fact-based discussions, and positive dialogue among the industry, citizens, and government officials. WISA requires all members to hold a Green Tier Certification from the Department of Natural Resources (DNR). Fairmount Santrol was the first mining company in Wisconsin to qualify for this designation because of our robust environmental management system, historical performance, and willingness to exceed regulatory requirements.

In the past, Fairmount Santrol has contributed to newsletters that illustrate how WISA member companies are committed to sustainable development. We collaborate with peers to publish white papers on topics like crystalline silica, water soluble polymers, and groundwater. Furthermore, our third-party studies on air quality generate dialogue with regulatory agencies and peers to improve industry standards.

We also engage with the Illinois Association of Aggregate Producers (IAAP). For example, we routinely sponsor school teachers for the yearly science teacher workshop hosted by the IAAP Public Information and Education Committee, where teachers receive education about the benefits of mining in Illinois.

National Industry Associations

Fairmount Santrol submits annual safety data to the Industrial Minerals Association of North America (IMA-NA) and participates in the group's silicosis prevention program. The IMA-NA holds us accountable for compliance with dust management and testing standards. We share our Safety and Health Management System with peers to enhance the well-being of all mining workers in the industry.

We also lead sustainability efforts for the American Foundry Society. This includes publishing white papers, giving conference presentations, and engaging with our customers to serve on panel discussions. By working together to raise standards, responsible

practices, and transparency, we strengthen our industry for the long term.

In addition, Fairmount Santrol's support of the Foundry Educational Foundation (FEF) provides scholarships and funding for universities that prepare students for careers in the metal casting industry. We contribute to the FEF's general fund, award the annual William E. Conway scholarship, and have several Family Members who provide sustained financial support. We provide leadership for the organization's executive team and committees, and are involved on several university advisory boards. Furthermore, we offer internship experiences for students at Fairmount Santrol facilities.

On the energy side of the business, at the Society of Petroleum Engineers' Annual Technology Conference and Exhibition, Fairmount Santrol recently engaged in a sustainability sponsorship. The company showcased water conservation practices by providing reusable water bottles and water stations for easy filling.

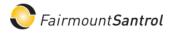
Supplier and Customer Engagement

We continuously inform our suppliers about Fairmount Santrol's sustainable development practices. We ask all new suppliers to complete our supplier survey, which includes questions on compliance, environmental stewardship, safety, wellness, community engagement, reporting, and civil rights. Through our SD blog and other channels, we educate our suppliers on our sustainable development practices and goals and look for partnership opportunities to help us improve our performance.

In turn, we share best practices with our customers to increase responsible behaviors and raise industry standards. Our intent is to help customers reduce impacts, manage risks, and increase transparency through partnerships, innovation, and increased communication. For example, we publish an oil and gas industry blog where we share perspectives on how our products can enable strong business and sustainability performance.

On an annual basis, we take advantage of a digital email survey campaign through which customers can provide direct feedback to Fairmount Santrol. We also partner with customers on community, sustainability, and technology-driven projects.

Stakeholder engagement is a collaborative effort. By sharing our best practices, we also gain ideas for enhancing sustainable development. Our stakeholder engagement fosters strong relationships that ensure we can operate in an informed, sustainable, and profitable manner.





STAKEHOLDER EDUCATION AND INFLUENCE

OUR APPROACH ANNUAL PERFORMANCE

G4-LA14, G4-EN32

Transparency

In 2016, Fairmount Santrol *Stayed True* to our commitment to maintaining transparent stakeholder relationships. We launched a new blog to share our perspectives on product innovations and efficiencies with the oil and gas markets. We also continued to share our support of People, Planet, and Prosperity through our sustainable development blog.

Furthermore, we provided tours and educational presentations for many of our stakeholders. In 2016, these included:

- Colleges and universities in the Northeast Ohio area
- Community groups such as the United Way, Habitat for Humanity, and the YMCA
- Educational groups at our Wedron, Illinois facility
- Membership organizations such as the Rotary and Kiwanis Clubs
- The Ottawa Chamber of Economic Development Task Force
- The Young African Leaders Institute at the University of Wisconsin-Stout
- University and community groups at our Menomonie, Wisconsin location

Industry Associations

We continued our support in 2016 of regional and national industry associations. For example, we contributed to Wisconsin Industrial Sand Association initiatives such as strategic analyses for sand mining, upholding standards, making permitting changes, and supporting response materials for regulatory efforts. Although we deferred membership in 2016 due to market conditions, we continued to sponsor the annual teacher education workshop hosted by the Illinois Association of Aggregate Producers. We also supported the Foundry Educational Foundation by awarding two student scholarships of \$2,000 each in 2016.

Supporting Communities Through Leadership Geauga

Every year, a Fairmount Santrol Family Member participates in the Leadership Geauga training program in our Eastern region. Leadership Geauga develops and encourages the leader in everyone, through personal growth, leadership development, and community engagement. The year-long program identifies current and future leaders from a cross-section of Geauga County, exposing them to the community's realities, opportunities, and challenges so that they may positively contribute to Geauga's economic, social and civic development.

Leadership Geauga focuses on:

Convening community around key issues

Equipping individuals for personal and professional impact through leadership development and county education





Fairmount Santrol's products and services contribute to the United States' energy independence as well as the use of natural gas, a cleaner fuel. Foundries use our sand to make products such as fiberglass, which increase the energy efficiency of buildings and homes. While these product uses are noble, it is critical that we take full responsibility for producing our sand products with minimal environmental impacts.

Through upcycles and downcycles, we *Stay True* to our commitment to be good stewards of air, water, and land. We proactively work to maintain clean air, minimize our energy, fresh water, and land use and reduce our waste. Our transportation strategies and investments incorporate advancements in energy efficiency.

At Fairmount Santrol, we embrace the ISO 14001 standard for environmental management. In 2016, three facilities were ISO-certified through mid-year. However, market conditions led to the idling of those facilities. Regardless of third-party certification, our operational facilities strive to achieve compliance with the ISO 14001 standard. To learn more about our environmental practices, we encourage you to read through the various Planet sections.

• Air Quality

- Solid Waste
- Transportation Logistics, Efficiency, and Emissions
- Water Use and Quality

- Land Management, Remediation, and Biodiversity
- Energy Use







AIR QUALITY

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OUR APPROACH ANNUAL PERFORMANCE
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G4-DMA

Fairmount Santrol understands that healthy communities need clean air to thrive. We protect air quality by establishing control mechanisms in our operations, and reducing and offsetting our greenhouse gas emissions.

Emission Controls

Fairmount Santrol manages potential fugitive silica sand dust emissions through several control mechanisms. Some facilities with exterior sand stockpiles use water or special agents to address fugitive emissions. We use an automated technology at our Menomonie, Wisconsin, facility that monitors wind speed and activates sprinklers when needed. Additionally, a few of our locations use filter belts to eliminate the need for stock piles, transporting sand directly to our dryers.

Further, water scrubbers and dust collectors reduce point source particulate emissions. Water trucks, water sprays and vacuum sweepers manage any potential fugitive particulate emissions. Following our engineering standards, we periodically empty the dust collectors into our plant return water. This enables us to pump the particles directly to our waste disposal location for processing, reducing the risk of fugitive emissions during transport.

Our engineering and operations departments collaborate to evaluate control technologies for regulated air pollutants. For example, some of our sand coating operations generate volatile organic compounds (VOCs) and we use high temperature oxidation to address nearly all of our VOC emissions.

During the permitting process for new plants or expansion of existing facilities, we assess our potential to emit regulated air pollutants. We design and implement the best equipment for emissions control. Once in operation, we monitor equipment and submit data for permit compliance and applicable regulations.

Greenhouse Gas (GHG) Emissions

Fairmount Santrol is committed to protecting climate health by monitoring and managing our greenhouse gas emissions. Our facility managers and engineering department collect site-specific Scope 1 and Scope 2 GHG emissions data. Along with our Quest for Eco-Efficiency SD Team, they identify and implement energy efficiency projects that reduce our GHG emissions. Additionally, each year we plant enough trees to offset our Scope 1 and Scope 2 GHG emissions from the previous year. We assume an 80 percent survivability rate across 50 years and plant more trees than required to ensure full sequestration of our emissions. Our Family Members plant approximately 10 percent of the trees through our volunteer events, while Fairmount Santrol finances the planting of the remaining trees via third parties.





AIR QUALITY

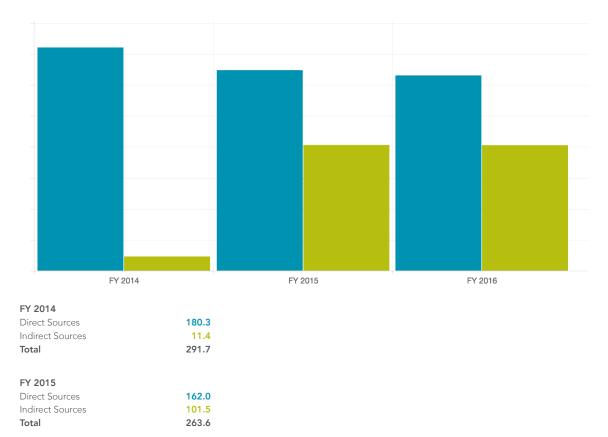
OUR APPROACH ANNUAL PERFORMANCE

G4-EN15, G4-EN16, G4-EN18

In 2016, we set a goal to elminate 0.5 percent of Fairmount Santrol's GHG emissions, based on 2015 GHG emissions, as well as sequester 100 percent of our Q4 2014–Q3 2015 GHG emissions. In 2016, we decreased our GHG emissions by 1.74 percent, exceeding our goal, and decreased emissions per ton sold by 2 percent. We also met our sequestration goal. With our move to fiscal year emissions data, going forward we will offset fiscal year emissions.

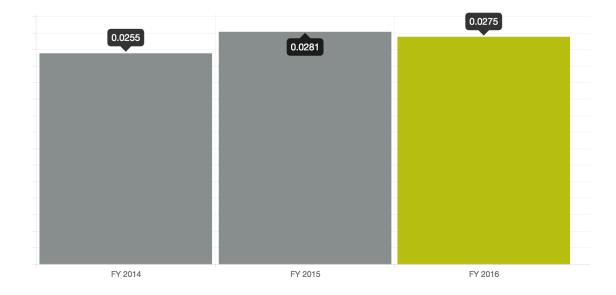
SCOPE 1 AND 2 EMISSIONS (THOUSANDS OF METRIC TONS OF CO₂ EQUIVALENTS)

Scope 1: Direct GHG emissions from owned or controlled sources. Scope 2: Indirect GHG emissions from the generation of purchased electricity, heating, cooling, or steam.



FY 2016	
Direct Sources	157.7
Indirect Sources	101.3
Total	259.0

SCOPE 1 AND 2 GHG EMISSIONS INTENSITY (METRIC TONS/TONS SOLD)



Emissions Control Improvements

Staying True to our commitment to protect air quality, Fairmount Santrol implemented several technology upgrades across our facilities in 2016 to reduce emissions and manage air quality. When we purchased our Voca, Texas, facility, we saw opportunities to improve dust control mechanisms. We continued to make these improvements in 2016. For example, we added an actuator system for our loadout dust controls, which conserves energy by turning dust controls on only during loadout, which is approximately 10 percent of the day. We also made upgrades to our dust collectors and ducting system.

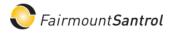
At both our Voca, Texas, and Wedron, Illinois, facilities, we installed dust collector valves that enable direct disposal of particles to designated waste locations. This eliminates the potential health risks posed by worker transport of dust. Our Best Practice SD Team also implemented a weekly inspection process to assess operating equipment control booths for dust contamination.

Fairmount Santrol continually evaluates opportunities to improve air quality. In 2016, we assessed dust control technologies at our Black Lab location in Serena, Illinois. Our Family Members implemented several low-cost improvements, such as installing dust shrouds and switching to a water-based floor sweeping compound. They also identified additional design improvements that we plan to implement in the future.

Offsetting Greenhouse Gas (GHG) Emissions

To sequester 100 percent of our Q4 2014–Q3 2015 Scope 1 and 2 GHG emissions, Fairmount Santrol funded the planting of 102,145 trees. Each year we plant enough trees to account for survivability rates. Our Family Members planted more than 10,000 trees in 2016, approximately 10 percent of the total number planted.

VIEW OUR APPROACH





TRANSPORTATION LOGISTICS, EFFICIENCY, AND EMISSIONS

OUR APPROACH ANNUAL PERFORMANCE

G4-DMA, G4-EN30

Fairmount Santrol continually invests in providing best-in-class transportation and distribution. Our goal is to move full capacity loads as resourcefully as possible to terminals near our customers. By managing and improving our logistics efficiency, we minimize our costs and climate impacts from fuel consumption and emissions.

Industry-Leading Distribution Network

We have the industry's most fully integrated logistics network. Our 41 active proppant distribution terminals enable us to directly deliver sand to all North American major oil and gas producing basins. Three-quarters of these terminals are exclusive to Fairmount Santrol. This competitive position improves our efficiency and ability to meet customer demands.

Unit Trains

Year over year we expand our unit train capabilities. Unit trains ship nonstop from origin to destination, bypassing railroad switch yards and gaining priority on the rails. They save fuel, time, and cost of delivering product to our customers. Whenever possible, Fairmount Santrol prioritizes this transportation method over single railcar and truck shipments. We maximize the use of unit trains better than anyone else in our industry, with more than 70 percent of our shipments via unit trains.

Maximizing Railcar Loading

Railcars have a weight limit. When we load railcars to the maximum possible capacity, we reduce the number of railcars and shipments needed to transport our product. This reduces both transportation costs and carbon emissions. Our Sustainable Mobility SD Team identifies methods to load railcars to maximum capacity, improving year over year.

Transportation Planning and Impacts

Our third-generation optimization model simulates planning scenarios and provides a comparison analysis of supply plans. This tool aids in both short-term, tactical planning and long-term, strategic planning, allowing us to build a transportation vision over the next five years.

Monitoring Performance

On a weekly basis, we monitor our logistics performance using Key Performance Indicators (KPIs). These allow us to make targeted adjustments to delivery plans and available reserves across our operations. Additionally, we actively manage our transportation logistics in the following ways:

Build strong relationships and communication with all of our transportation partners

Have full-time expeditors available 24 hours, seven days a week

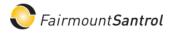
Hold daily conference calls with logistics partners

Use efficient transportation of materials via conveyors between facilities when applicable

Use optimization software to manage daily shipments

Supplier Emissions and Efficiency

In addition to managing our own emissions, Fairmount Santrol supports our suppliers in mitigating impacts from product transportation. Several of our primary transportation suppliers participate in the U.S. Environmental Protection Agency SmartWay program. SmartWay is a public-private initiative to help companies in the freight transportation sector to monitor and reduce emissions and environmental risks. Selecting these transportation partners naturally aligns with our efforts to reduce greenhouse gas emissions.





TRANSPORTATION LOGISTICS, **EFFICIENCY, AND EMISSIONS**

OUR APPROACH ANNUAL PERFORMANCE

G4-EN30

As the oil and gas market worked toward recovery in 2016, Fairmount Santrol continued to strengthen our transportation capabilities. We positioned ourselves to serve customer demands for increased product volumes while Staying True to our commitment to reduce our emissions footprint.

Maximizing Railcar Loading

Utilizing maximum loading techniques, Fairmount Santrol increased our railcar utilization rate and generated a significant annual savings in freight cost avoidance. We aim to fill railcars to max capacity without overloading, which can incur slowdowns and fines, and we will continue to increase railcar utilization in 2017.

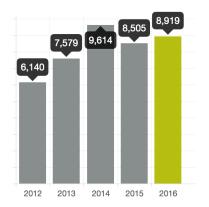
Logistics Optimization

Most of our sand currently ships from Wedron, Illinois, streamlining our decision-making process for matching supply to origin. However, these decisions will become more complex as markets recover. To manage this, we will scale the use of our supply chain planning optimization tool. This software evaluates factors such as supply location, cost, and final destination to identify the best method for producing and delivering our product.

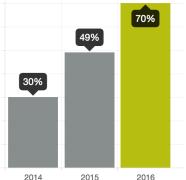
Improving Unit Train Capabilities

Unit trains continue to provide a competitive advantage, moving product nonstop from origin to destination, reducing our cost and environmental impact. In 2016, Fairmount Santrol increased our number of terminals with unit train capabilities from seven to eight. We shipped 74 percent of our Northern White Sand via unit train, a significant increase from 44 percent in 2015.

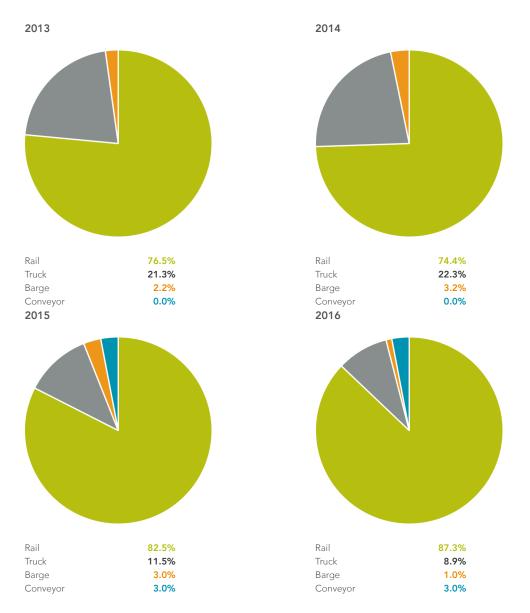
FMSA VOLUME SOLD (THOUSANDS OF TONS)



PERCENT OF SHIPMENTS VIA UNIT TRAINS



2015



Planning for 2017 and Beyond

Throughout market changes, Fairmount Santrol has evaluated our transportation network and destination terminals needed to best serve our customers. In coming years, we will continue to increase our use of unit trains. When it becomes economically viable, we will also consider the possibility of incorporating liquefied or compressed natural gas into our truck vendor fleet.







WATER USE AND QUALITY

OUR APPROACH ANNUAL PERFORMANCE

G4-DMA, G4-EN10

Fairmount Santrol understands the importance of conserving clean water today and into the future. We are committed to transparency and open dialogue with community members to alleviate water-related concerns. Managing our water use and discharge enables us to reduce expenses while protecting our communities and building positive stakeholder relationships.

Water Management and Compliance

We are dedicated to meeting water standards established by state and local regulatory agencies. These include regular water testing and results reporting, storm water pollution prevention plans, and compliance with permit requirements. We align our water management plans with the goals outlined in our environmental policy for reducing the use of natural resources. Our Clean Water SD Team leads this effort by supporting most of our facilities with the creation and execution of their water management plans.

Water Recycling

Fairmount Santrol uses water in our operations for extracting, washing, processing, and cooling. We track daily well use at each facility with a continued goal to decrease consumption and increase the use of recycled water, through wastewater treatment. In fact, we estimate that we recycle more than 90 percent of the water used in our operations.

For example, we developed on-site basins and pumping systems that allow us to reuse sand processing water. At several sites, the basins also capture precipitation that we incorporate back into water recycling efforts. We supplement any recycled water lost during operations with natural surface and groundwater resources.

All the deposits that Fairmount Santrol mines contain natural silts and clays, which we wash from our sand to make pure, finished products. The resulting water can be cloudy—measured in "turbidity." We clarify this water for reuse through a settling process that separates out the solids and decreases its level of turbidity.

Furthermore, we can use the remaining silts and clays for mine reclamation purposes.

Water Discharge

Fairmount Santrol retains water on our properties for recycling needs. At times, we must discharge this water into local surface and groundwater resources. When doing so, we conduct internal and third-party testing to ensure our practices comply with regulatory limits. We also obtain all appropriate permits for water discharge that maintains ecosystem health.

Storm Water Management

We use Curlex[®] blocks at our largest production facility as a best practice for the management of storm water runoff. The blocks, composed of a cross-section of filter media wrapped in textile, improve the quality of storm water runoff by controlling turbidity. This technology is more effective than more traditional methods, such as straw bale barriers or silt fences. In the future, we may install Curlex[®] blocks at additional sites as needed.





WATER USE AND QUALITY

OUR APPROACH ANNUAL PERFORMANCE

G4-EN10

Fairmount Santrol is *Staying True* to our responsibility to continually monitor our water consumption and impacts on local water quality. This year, we realized the benefits of a new water clarification tank at our Wedron South facility. Our Illinois, Minnesota, Missouri, Texas, and Wisconsin mines now have water clarifying tanks, improving the speed of water recycling and reuse.

Our Clean Water Team reviewed the water management plans at 22 facilities in 2016. They made improvements to our strategies and identified best practices to share across our locations. For example, we installed a variable speed drive on the water pump at our Chardon, Ohio, location, leading to both water reduction and energy cost savings.

Fairmount Santrol also encourages our Family Members to be conscious of water consumption habits. In 2016, the Clean Water SD Team facilitated or sponsored 33 presentations at our sites on water conservation practices at work and home. These sessions empower Family Members to make daily contributions to our water goals.

Water Efficiency Improvements in Texas

Our Voca, Texas, facility implemented several water improvement projects in 2016. Replacing the packing on a pump reduced water loss significantly, approximately 50 to 100 gallons per minute. Following the best practices of other facilities, our Voca Family Members evaluated evaporation rates for tracking purposes and implemented improved processes.



In 2017 the Clean Water SD Team plans to evaluate fresh water access at all Fairmount Santrol facilities and install technologies that help reduce bottled water use.

VIEW MANAGEMENT APPROACH





SOLID WASTE

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OUR APPROACH ANNUAL PERFORMANCE
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G4-DMA

Fairmount Santrol set a bold goal to inspire and enable all facilities to reach zero waste to landfill. A growing number of our facilities have reached that goal, made possible through the efforts of our Recover, Recycle, Reuse (3R) SD Team, facility managers, and SD Coordinators.

Managing Our Waste Impact

Fairmount Santrol is committed to decreasing waste throughout our production processes. Our primary by-product streams include off-spec sand, metal, wood, cardboard, and paper. To minimize packaging waste, we order bulk supplies and reuse and recycle packaging materials. We send off-spec sand from most of our manufacturing plants to either cement production facilities or to landfills to be used for daily cover.

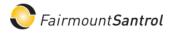
Our first goal is to reduce, recycle, compost, and reuse our industrial by-products. We equip many of our facilities and office spaces with recycling bins to capture and convert as much waste as possible. In addition, we partner with waste-to-energy companies to manage non-compostable and non-recyclable waste. These services convert waste destined for landfill into fuel for steam-generated electricity.

Fairmount Santrol ships over 90 percent of our products via trucks, trains, or barges that require no packaging. We transport the remaining product using bulk packaging, which we recycle and reuse, and ask our customers to do the same.

Waste Education in Communities

Fairmount Santrol's commitment to waste reduction extends to our Family Members and communities. We ask all locations to hold zero waste activities that promote waste reduction, recycling, and composting—both in our facilities and local communities. Our Family Members hold webinars, engage with our customers, and work with local businesses to share best practices for waste management.

Responsible resource management is a reinforcement of our "Do Good. Do Well." motto. It positively affects our bottom line by reducing landfill expenses—showing once again how sustainable development drives business value.





SOLID WASTE

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OUR APPROACH ANNUAL PERFORMANCE
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G4-EN23

Staying True to our vision of zero landfill waste, Fairmount Santrol set a goal in 2015 to bring 100 percent of our legacy facilities those active in 2009 when we began tracking waste—to zero waste to landfill. As of December 2016, 27 of our 31 operating facilities met this target. Most notably, our largest facility in Wedron, Illinois, operated with zero waste for all of 2016. This was achieved through the hard work of our Recover, Recycle, Reuse (3R) SD Team, SD Coordinators, and Family Members.

Waste Reduction Progress

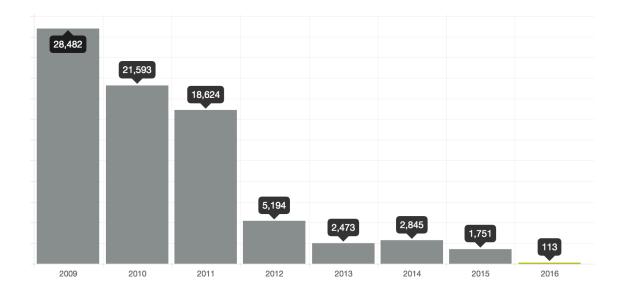
In 2016, Fairmount Santrol achieved a 99.6 percent reduction in waste to landfill, from our 2009 baseline. This included the diversion of more than 4,100 tons of off spec sand through arrangements with a company that provides by-products as inputs for cement manufacturing.

Zero Waste to Landfill in Voca, Texas

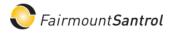
Given the rural location of our Voca, Texas, facility, it does not have the same recycling options as our other facilities. We were left to transport high volumes of waste to disposal locations. In 2016, we installed a compactor to compress waste into bales. We ship these bales in bulk to our waste-to-energy partner in Oklahoma, to generate fuel. Not only did this enable our facility to become zero waste to landfill, it also reduced truck traffic, fuel consumption, and our transportation costs.



TOTAL WASTE TO LANDFILL (CUBIC YARDS)



VIEW OUR APPROACH





LAND MANAGEMENT, REMEDIATION, AND BIODIVERSITY

OUR APPROACH ANNUAL PERFORMANCE

G4-DMA

For Fairmount Santrol and our stakeholders to thrive, it is important that we preserve ecosystem health. We are committed to protecting land quality and conducting our mining practices with respect and care for local species.

Operating Responsibly

Fairmount Santrol must obtain permits to operate our mines. During the approval process, we work with state and local regulatory agencies to develop land management and reclamation plans. These include site maps, managing overburden removal and mineral deposits, reclamation procedures, on-site audits, and financial assurance for the completion of site reclamation.

Fairmount Santrol is unique with respect to industrial sand mining and processing companies; approximatley 45 percent of the acres of our mining sites that are active or in development are at facilities that are earmarked for underground mining. As opposed to surface mining, underground mining only requires small areas of surface disturbance to install and maintain access points and ventilation shafts to the mine. In fact, less than 1/2 of 1 percent of Fairmount Santrol's underground mines have surface disturbance associated with our activities. Furthermore, we plan to operate underground at over 75 percent of acreage designated for future development. This preserves wildlife habitat and biodiversity.

To protect agricultural and forested land affected by our surface mining operations, Fairmount Santrol develops and implements reclamation plans. We collaborate with stakeholders to restore land, wildlife habit, and viable pastures at these locations. This includes planting native species and removing invasive ones. In some cases, we have reclaimed areas previously dominated by row crops to mixed shrubbery, trees, and grasslands. At other sites, we have restored land for agricultural purposes such as row crops and pastures.

Some of our reclamation efforts produce graded areas that allow seasonal precipitation to pool, supporting plants and wildlife accustomed to standing water and/or wet soil conditions. At locations where there is insufficient overburden to backfill mined areas, our reclamation plans allow for quarries to partially fill with water, which we stock with fish to support local wildlife.

Protecting Biodiversity

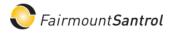
Wildlife in our local communities include bats, bees, birds, butterflies, fish, and native plants. Fairmount Santrol actively works to protect habitat areas through education, partnerships, and funding. We partner with organizations such as the Wildlife Habitat Council, Saving Birds Thru Habitat, and the Wisconsin Bat Program to protect species diversity near our facilities. Through the Wildlife Habitat Council, we educate the community on topics such as the importance of pollinators, particularly bees, to our ecosystem. Our Family Members work with school groups to plant pollinator gardens and construct bee habitats in the communities where we operate.

Our two Wisconsin underground mines support the second and third largest populations of hibernating cave bats in Wisconsin. We support and work with researchers from the United States Fish and Wildlife Service and the Wisconsin Department of Natural Resources (DNR) to monitor bat activity, research bat life cycles, and study white nose syndrome (WNS) in and around portions of our underground mines. WNS is a fungal disease which has decimated large populations of bats in the eastern half of the United States.

We proudly support efforts to protect bat populations, and have protocols in place to mitigate the chance for our operations to inadvertently spread WNS. In 2011, we received an award from Wisconsin DNR commemorating our efforts to assist the DNR's bat research. We were recognized with the Wildlife Habitat Council's Bat Conservation Action Award in 2012.

Environmental Certification

Fairmount Santrol consistently goes beyond compliance for land management standards by participating in national and state environmental certification programs. One such program, the Wisconsin Department of Natural Resources' Green Tier program, recognizes Fairmount Santrol's robust environmental management system, our history of a good environmental record, and a willingness to exceed regulatory requirements. We are proud to be the first mining company in Wisconsin to receive the Green Tier certification. All three of our Wisconsin mining facilities have attained this recognition.





LAND MANAGEMENT, REMEDIATION, AND BIODIVERSITY

OUR APPROACH ANNUAL PERFORMANCE

G4-EN13, MM1

We have a strong commitment to responsible land management and the protection of biodiversity. This year, we achieved certification for land management, remediation, and biodiversity practices at the following sites:

Wildlife Habitat Council "Conservation Certification"

Chardon, OH

Hager City/Bay City, WI**

Maiden Rock, WI*

Menomonie, WI

Wedron, IL

Saving Birds Thru Habitat Certification

Hager City/Bay City, WI**

Maiden Rock, WI*

Shakopee, MN

Wisconsin Department of Natural Resources Green Tier Certification

Hager City/Bay City, WI**

Maiden Rock, WI*

Menomonie, WI

*Facilities closed or idled throughout 2016

**Idled/closed in 2016; currently functioning as a terminal

Leading the Rush River Clean-Up

On April 23rd, Fairmount Santrol organized and participated in the 11th annual Rush River Clean-Up in our Northern region. The 60 volunteers included Fairmount Santrol Family Members as well as members of Trout Unlimited, Fly Fishing Women of Minnesota, and the Eau Galle Rush River Sportsmen Club. Together, we cleaned approximately 25 miles of the Rush River in



Pierce County, Wisconsin. Our total materials collected included 17 tires, nearly 300 pounds of scrap metal, 150 pounds of recyclables, and 440 pounds of waste.

$Land \, Restoration$

FACILITY	TOTAL ACREAGE	TOTAL UNDISTURBED	TOTAL DISTURBED	PERMANENTLY RESTORED	PERCENT DISTURBED
Bay City, WI**	1,493	1,492	1	0	<1%
Beaver, OH	307	263	44	0	14%
Brewer, MO*	353	268	50	35	14%
Chardon, OH	623	335	207	81	33%
Diamond Bluff, WI	2,684	2,684	0	0	0%
Grand Haven, MI	143	91	27	25	19%
Harietta, MI*	341	43	171	127	50%
Katemcy, TX	848	848	0	0	0%
Maiden Rock, WI*	1,940	1,915	7.5	17	<1%
Menomonie, WI	368	228	129	11	35%
Shakopee, MN	208	197	10	1	5%
Voca, TX	1,962	1,552	410	0	21%
Wedron, IL	1,992	1,295	532	165	27%
Total	13,262	11,211	1,588.5	462	12%

*Facilities closed or idled throughout 2016

**Idled/closed in 2016; currently functioning as a terminal

Across regions we plant trees, pollinator and vegetable gardens, build bird and duck houses and more. Regardless of our activity level due to market conditions, Fairmount Santrol *Stays True* to commitment to operate responsibly. We monitor idled facilities, maintain permit compliance, and continue to foster positive relationships within all communities where we have active or idled facilities.







ENERGY USE

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OUR APPROACH ANNUAL PERFORMANCE
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G4-DMA

Mining is an energy-intensive business—electricity and natural gas account for nearly 30 percent of the cost to produce a ton of sand. Therefore, Fairmount Santrol makes it a priority to manage energy consumption as we seek to "Do Good. Do Well."

Managing Our Energy Footprint

Drying sand and heating sand for resin coating are our two most energy-intensive procedures. We optimize energy usage throughout these processes by reusing heat, idling machinery, and optimizing control strategies on dryers to increase thermal efficiencies.

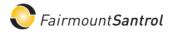
We consume energy throughout other steps of mining and processing sand, as well as in our office locations. Fairmount Santrol shares responsibilities for managing energy use among our teams. Our plant managers track energy use at each of our facilities, and our Quest for Eco-Efficiency SD Team and engineering group conduct periodic audits to identify future projects. Company-wide, our engineers install energy reduction technologies through facility design. These include temperature controls, LED lighting, and motion sensors for interior lighting.

Encouraging Energy-Efficient Practices

Our business benefits when Family Members incorporate sustainable habits into their daily routines. Fairmount Santrol encourages our team to conserve energy at work and at home. We have a company-wide policy that limits unnecessary travel and asks Family Members to choose teleconferencing when possible.

Solar Installations

Fairmount Santrol has two solar energy installations, one in Chardon, Ohio, and the other in Menomonie, Wisconsin. Over the years, these investments have contributed to our SD Pays. Our Menomonie array has saved more than 450,000 lbs. of CO₂ and \$25,800 across its lifetime, and our Chardon array has saved more than 138,000 lbs. of CO₂ and \$10,900.





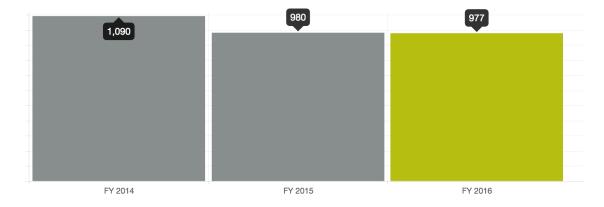
ENERGY USE



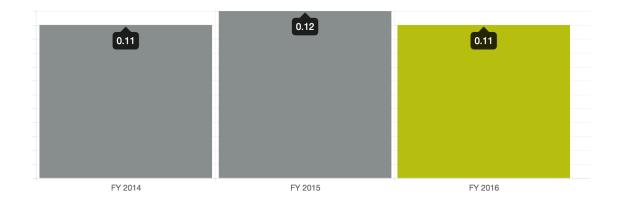
G4-EN3, G4-EN5

Fairmount Santrol demonstrates *Staying True* to our energy reduction commitment by setting an annual goal. In 2016, we set a goal to eliminate 0.5 percent of Fairmount Santrol's GHG emissions, based on 2015 GHG emissions, and reducing energy is import to reaching that goal. As you can see below, our energy consumption in 2016 decreased and energy intensity held constant.

ENERGY CONSUMPTION (GWH)



ENERGY INTENSITY (ENERGY USE IN MWH/TONS SOLD)



FUEL TYPE	FY 2014	FY 2015	FY 2016
Electricity (GWh)	170	157	166
Coal/Lignite	0	0	0
Natural Gas (10 ³ cu.m.)	71,337	61,827	65,110
Oil/Diesel (10 ³ cu.m.)	6.5	5.7	3.9

Energy Efficiency Improvements

We increased our focus on energy efficiency in 2016. Some of this occurred naturally with efforts to cut costs in the down market. We moved most of our production to our strategically located, low-cost, state-of-the art facility in Wedron, Illinois. In 2016, Wedron was awarded over \$1 million in rebates from Ameren Power for our purchase of energy-efficient motor controls. We also implemented processes to recover sellable sand that had been previously mined at the site. This process eliminated the need to consume stripping and blasting related energy for the recovery of previously mined sands. This resulted in a substantial energy and financial savings.

Many of our 2016 improvements were low-cost projects that required small investments, but collectively impacted our energy performance. For example, we upgraded equipment at our Wedron, Illinois, facility that resulted in hundreds of thousands of SD Pays in the next five years. Additional projects include:

Automating the dust control sprinklers at our Menomonie, Wisconsin, facility

Upgrading the propane system and burners at our Voca, Texas, facility

Consolidating the compressor pumps at our Wedron, Illinois, location

Education for Energy Efficiency

Our Quest for Eco-Efficiency (QEE) SD Team supports our Family Members in adopting energy-saving habits. When our Family Members practice efficiency in their daily lives, they are more likely to support our energy reduction initiatives. In 2016, the QEE Team implemented an Energy Efficiency Education Program to increase Family Member engagement across our facilities. The program taught strategies such as turning off lights, powering down electronic equipment, and automating thermostat controls. These techniques and others can be used at work and home to save energy.



VIEW OUR APPROACH





Our innovative spirit, unwavering commitment to sustainable development, and cost consciousness leads us to continuously craft the industry's broadest product suite of cutting-edge, high-quality, safe, environmentally-friendly, and efficient products. When combined with our logistics and distribution footprint and growing unit train capabilities, we deliver a strong value proposition to our customers. The prosperity we generate is shared with our stakeholders—our shareholders, Family Members, and communities.

We believe that *Staying True* to the triple bottom line, People, Planet, and Prosperity, is a key factor in driving our long-term success, making Fairmount Santrol the employer and partner of choice. You will see that theme weaved throughout the Prosperity section.

Community Investment

Commodity Pricing and Demand

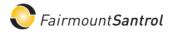
- Product Innovation
- Prosperity of Family Members

Product Quality

\$1.2MM In 2016, our foundation contributed \$1.2 million to the vitality of our communities

HIGHEST

We shipped the highest raw frac sand volumes in our company's history in 2016 > I JHRS Family Members volunteered an average of 13 hours each, giving back to our communities





COMMUNITY INVESTMENT

OUR APPROACH ANNUAL PERFORMANCE

G4-DMA, G4-EC1, G4-EC7

Fairmount Santrol believes that when our communities thrive, everyone benefits. Our Family Members make a powerful impact on the communities where we live and work by investing their time, talent, and treasure.

Types of Community Investment

Our Community Investment Policy divides our support into four areas of focus: the environment, health and wellness, education, and discretionary funding. We use discretionary monies to address specific needs identified and supported by our Fairmount Santrol Family Members. For example, we have a gift matching program that enables Family Members to request donations for non-profits of their choice. We invest in communities through cash grants, in-kind donations, and corporate volunteer efforts. Our goal is to donate 1.5 percent or more of our annual pre-tax/pre-equity earnings to organizations under the United States Internal Revenue Services' 501(c) regulations. Each plant contributes to serving community needs by choosing activities or local organizations to support.

Examples of local initiatives our facilities sponsor include:

Aiding local schools in a variety of ways, including updating their facilities, and providing supplies and new technology

Community clean-up days and Adopt-a-Highway

Ecosystem improvements such as river cleanups, native plant gardens, local wildlife habitat protection, tree planting, and more

Improving parks, playgrounds, and other public spaces

Supporting emergency services such as local fire departments through financial donations and volunteer time

Supporting organizations that help people in need within our communities

Fairmount Santrol's contributions significantly impact local communities by improving the health, wellness, and quality of life for residents, advancing sustainability education among students and local businesses, and enabling wildlife to flourish.

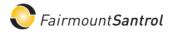
Governance of Community Investment

Our Corporate Community Investment Committee and Site Community Investment Committees at each facility oversee the meaningful appropriation of funds for donations. Our Community Investment Policy provides guidelines for contribution requests, matching gifts, allocation of investments, focus areas, product donations, eligibility, and volunteerism.

Employee Volunteer Hours

Fairmount Santrol provides our Family Members 40 hours of annual paid volunteer time to give back to their communities. Also, 25 percent of personal volunteer time (up to 10 hours) is applied towards our corporate goal, reflecting our emphasis on bringing sustainable development home. Family Members who complete personal volunteer time can earn a donation from Fairmount Santrol to the charity of their choice.

On an annual basis, our Social Responsibility SD Team engages Family Members at our facilities with the goal of increasing volunteer hours. Our SD Coordinators and facility managers collaborate with local communities to identify and organize volunteer opportunities.





COMMUNITY INVESTMENT

OUR APPROACH ANNUAL PERFORMANCE

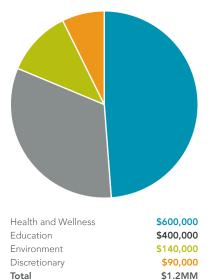
G4-EC1, G4-EC7

Dedicating Our Time, Talent, and Treasure

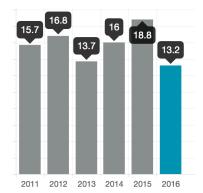
We are proud to report that in 2016, we Stayed True to our promise to invest in our local communities, contributing \$1.2 million through the Fairmount Santrol Foundation. This was possible due to the generosity of our shareholders, who created the Fairmount Santrol Foundation in 2010. Their contributions enable us to continue supporting communities, even during challenging market conditions. These dollars support the health, wellness, and education of the next generation and help to build thriving communities.

In 2016, our Social Responsibility SD Team focused on engaging Family Members who seldom volunteer to ensure they have opportunities to do so. We updated our policy to allow up to 10 hours per Family Member of personal volunteer hours to be counted towards our corporate goal. This change reinforces our belief that People, Planet, and Prosperity extend beyond the boundaries of our business.

FOUNDATION DONATIONS BY CATEGORY

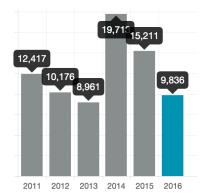


AVERAGE VOLUNTEER HOURS **PER EMPLOYEE***



TOTAL VOLUNTEER HOURS*

Total



Our Family Members dedicated just over 9,800 paid volunteer hours to the communities where we live and work. In addition, our Family Members logged over 1,300 personal volunteer hours outside of work. Examples of volunteer projects included:

Hosting Week of Caring events across our facilities Tree planting at parks and other community locations Organizing Earth Week events for local school children Sponsoring a muscular dystrophy nonprofit in Denmark Supporting nursing homes near our facility in Mexico



Raising Funds for Diabetes Awareness

Our Roff, Oklahoma, Family Members are passionate about supporting awareness and research for diabetes. Each year, Family Members participate in the American Diabetes Association Step Out® Walk to Stop Diabetes. In 2016, the FMSA team organized fundraisers leading up to the November event and contributed \$3,100 to the American Diabetes Association of Oklahoma. They also hosted a Sand Art booth free to all walkers at the event. In total, 500 walkers participated raising more than \$32,000 for diabetes.

Personal Care Boxes for Students in Need

In 2016, Family Members at our Chardon, Ohio, facility recognized the importance of personal care products for pride and the ability to succeed. They collected donations to pack personal care boxes for students in need. They hosted donation drives to collect toothbrushes, toothpaste, shampoo, soap and more. Through these donations, our Family Members provided more than 500 personal care boxes to students.



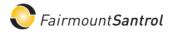


Supporting Children with Cancer

Family Members at our Ottawa, Illinois, location organized a Cutting Off Cancer event in 2016. Twenty-two of our Family Members and relatives donated 243 inches of hair to Children With Hair Loss. The non-profit organization provides hair replacement free of charge to more than 300 children per year. Our team also raised over \$2,600 for Relay for Life and \$400 in direct donations for the children. These Family Members truly embody our mission to "Do Good. Do Well." for our communities. Our community volunteerism is not always planned. In May 2016, two Family Members at our Somerville facility took action when southeast Texas experienced severe flooding. They saved more than 40 horses belonging to a local nonprofit organization supporting children with mental disabilities. Fairmount Santrol is proud of our Family Members for stepping up when their community was in need.



VIEW OUR APPROACH





PRODUCT INNOVATION

OUR APPROACH ANNUAL PERFORMANCE

G4-DMA

A Culture of Sustainable Innovation

Product and process technology play a key role in making Fairmount Santrol a partner of choice for our customers. Our R&D Teams, SD Teams, and Family Members create innovative, industry-leading customer solutions. We focus our innovation efforts on developing differentiated products that offer a strong value proposition. Aligned with our commitment to SD, we differentiate ourselves by reducing water, energy, and potential pollutants to conserve resources and enable safer product handling.

Propel SSP[®] Proppant Transport Technology

In the oil and gas industry, our products are referred to as "proppants" because they prop fractures open during hydrocarbon production to allow oil and gas to flow. Proppant transport, or the means to place proppant efficiently inside these fractures, has long been an issue for oil and gas companies—which is why we brought a solution to the market.

Our Propel SSP^{\bigotimes} Proppant Transport Technology takes proppant higher and farther into fractures to produce more oil and gas while using less water, fewer additives, and providing other operational advantages to our customers. The technology has gained momentum with our customers as they continue to see success from its use. Currently, we are advancing this proppant technology to deliver the same field-proven performance in brackish, recycled, and produced water instead of fresh water.



Resin-Coated and Raw Sand Products

We offer advanced resin-coated proppants which are environmentally safe and provide value for both short- and long-term investment horizons. By preventing proppant flowback, a common occurrence when fracturing certain formation types, operators can reduce well maintenance, increase hydrocarbon production, and protect their capital investment.

Over the long-term, operators will enhance hydrocarbon recovery and cut down on well operating expenses because resin-coated proppants provide proppant flowback resistance, improved crush resistance, and superior conductivity. These benefits all contribute to maximizing the net present value of wells. We continue to pursue greener chemistries for our resin-coated proppants. For raw sand products, we are focused on maintaining safe air quality levels and enabling ease of handling during the production and end-user phases.



Industrial and Recreation Products

Our industrial and recreation customers include companies who support foundries, glass, water filtration, building products, and sports and recreation. For this segment, we innovate to reduce emissions and waste streams both at Fairmount Santrol and customer facilities. We do this by enhancing our product lines with process efficiencies and improved raw material sourcing.

Consistent with this mission, we have developed a more robust resin-coated foundry sand with an improved environmental footprint as compared to traditional resin coated sands. We also continue to innovate sand-based products for landscapers, contractors, and homeowners to make patio and paver construction projects easier, safer, and more maintenance free.

Our Stage Gate Process and Management of Change (MOC)

Product and process innovation is critical to meeting ever-evolving market needs as well as retaining market leadership. In 2012, our Business Innovation SD Team created our Stage Gate process for managing product and process enhancement projects. Family Members submit ideas to our online platform, which we then evaluate for potential return on investment for our customers, stakeholders, and business. If selected, ideas move through seven steps that test and validate for potential impact.



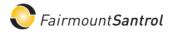
Fairmount Santrol provides human and financial capital that bring innovative products and processes through to a successful launch. Further, in 2013 our proppants solutions business implemented a full-blown Stage Gate process for effectively leading innovation in the fields of advanced proppants, transport technologies, and downhole diverting agents.

Our MOC guidelines outline our disciplined and controlled approach for process changes in product manufacturing and managing safety, health, and environmental risks throughout the innovation process.

SD Teams Driving Innovation

In addition to our dedicated R&D teams, we are proud of Family Members' increased participation in innovation through our SD Teams. Our SD Teams empower Family Members to identify ideas that will meet our customers' needs, drive cost reduction and efficiencies, reduce our carbon footprint, and differentiate ourselves in the marketplace.

VIEW ANNUAL PERFORMANCE





PRODUCT INNOVATION

OUR APPROACH ANNUAL PERFORMANCE

Increasing Our Value Proposition

In 2016, Fairmount Santrol once again demonstrated our *Staying-True-to-SD* mindset, innovating in ways that improve the value and environmental impacts of our products to better serve our customers. Our 2016 product innovations include:

Development of low-cost alternatives to premium resin-coated proppants that maintain strong performance for proppant flowback resistance

Dust mitigation advancements across our products, enabling compliance with incoming, stricter OSHA regulations

Propel SSP[®] Proppant Transport Technology advancements allowing the use of produced water, rather than fresh water, for hydraulic fracturing

Continued reduction of free phenols in our resole and other phenolic resins

Development of an efficient recycling process for a phenolic raw material waste stream, leading to positive impacts on the environment

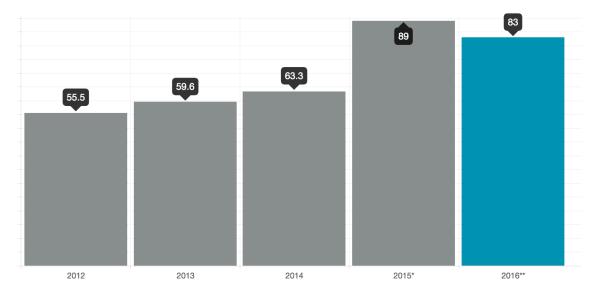
Progress by Our Sustainable Development Teams

In 2016, our Business Innovation SD Team collected 75 ideas through our Stage Gate Process for innovation. Of these ideas, 21 progressed from the ideation to the feasibility testing phase, and nine made it to the development stage. The Team also implemented regular Idea Routing Meetings, which increased efficiency and effective communication for our idea submission process. This ensures we review every new idea for potential advancement in the Process.

Additionally, our Environmentally Responsible Products and Processes (ERPP) SD Team surveyed a sample of our customers for interest in collaborating on sustainable product innovations. We received many valuable responses that informed our approach in 2016, particularly for our industrial and recreation customers. Looking toward 2017, we aim to increase engagement with our foundry and oil and gas customers.

NUMBER OF FAMILY MEMBERS SUPPORTING INNOVATION

Full-Time Equivalents (FTEs): R&D Team Members, Business Innovation (BI) SD Team Members, and Environmentally Responsible Products and Processes (ERPP) SD Team Members.



*In 2015, we expanded calculation to include ERPP SD Team Members.

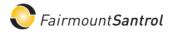
**In 2016, we expanded calculation to include members of our Business Innovation Team and Stage Gate Sub-Team



Assessing the Safety of Resin-Coated Products

Fairmount Santrol develops products that provide sustainable value to our customers. In 2016, we completed a comprehensive study of our phenolic novolac resin coated products. The study showed no measurable levels of free formaldehyde, reinforcing the safety of our resin-coated products. We shared these results with several of our primary customers and plan to publish a technical paper in 2017.

VIEW OUR APPROACH





PROSPERITY OF FAMILY MEMBERS

OUR APPROACH ANNUAL PERFORMANCE

G4-DMA, G4-EC1, G4-LA10

Our Family Members continually *Stay True* to advancing People, Planet, and Prosperity. Fairmount Santrol believes in sharing the prosperity we generate with our Family Members.

Governance for Family Member Prosperity

Fairmount Santrol's leadership team aims to provide a fulfilling experience for all Family Members. This goes beyond financial compensation. We create a culture that invites Family Members to bring their whole selves to work. Our Human Resources department and various SD Teams manage and lead initiatives to help Family Members achieve their professional, personal, and financial goals while adding value to Fairmount Santrol.

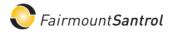
Compensation and Benefits

Fairmount Santrol offers a competitive salary, bonus potential, and 401(k) match. Our commitment to SD generates opportunities for our Family Members to develop skills outside of their primary job functions. Through our SD Teams, they can contribute to the health and vitality of our people, company, and communities. We encourage all Family Members to get involved in SD and invest in our communities by using their 40 annual hours of paid volunteer time.

Scholarships

Our prosperity extends beyond our Family Members to their families. Each year, we fund our Aspire and Sustainable Development Scholarships to provide financial assistance to eligible Family Members' dependents.

VIEW ANNUAL PERFORMANCE





PROSPERITY OF FAMILY MEMBERS

OUR APPROACH ANNUAL PERFORMANCE

G4-EC1, G4-LA10

Compensation and Benefits

Despite recent market conditions, Fairmount Santrol has *Stayed True* to what is unique, positive, and special about our company our unwavering commitment to sustainable development. In 2016, we continued to offer competitive salaries and benefits. We make a conscious choice to invest in employee development, knowing it will help our business to thrive now and in the future.

Fairmount Santrol maintained a consistent employer contribution in 2016 for those participating in a Health Savings Account (HSA). We transitioned to a new medical provider that provides a broader service network and implemented a new online enrollment system for Family Members to view their benefits and coverage levels. In 2017, we will increase our 401(k) match to 100 percent of the first three percent deferred, and 50 percent of the next two percent deferred.

Employee Tenure

Fairmount Santrol measures employee prosperity by the voluntary tenure of our Family Members. When Family Members choose to stay employed with Fairmount Santrol, they indicate satisfaction with multiple aspects of their jobs—financial, positive relationships with co-workers, sense of higher purpose, and meaningful, interesting work.

In 2016, Fairmount Santrol continued to have higher-than-average voluntary employee tenure. Unfortunately, due to challenging market conditions, we had to make additional workforce reductions. Consistent with our values, we treated each of our affected Family Members with compassion, support, and respect in their transition.

FMSA Average Employee Tenure**	7.06 years
U.S. Median Employee Tenure*	4.2 years
FMSA Median Employee Tenure**	4.92 years

*According to the Bureau of Labor Statistics in January 2016 **For domestic, full-time equivalent employees

Mind, Body, Advancement Training for Better Well-Being

Family Member prosperity begins with the health and wellbeing of every individual. In 2016, our Empower U SD Team created a new workshop for Family Members—Mind, Body, Advancement (M.B.A.). Research shows that meditation can reduce stress and improve focus, problem-solving, creativity, and interpersonal skills. The M.B.A. training teaches meditation practices and other mind-body awareness exercises. 155 Family Members participated in 2016.



Michelle's Story: Michelle Pezanoski, VP and Corporate Controller

"I started working at Fairmount Santrol as a Staff Accountant in 1997. Even then, before we had a formal SD program, we focused on sustainable development and doing the right thing. Knowing that healthy employees provide better work and better attitude, I worked with HR to form a health and wellness team, that eventually became our Health & Wellness SD Team. On that team, I moved from a team member to team lead. Through this work, I developed relationships with people outside of the accounting department, built better communication skills, and learned how to work with diverse groups. This helped me grow into my current role, VP and Corporate Controller. Participating in SD provides an avenue for Family Members to contribute more—empowering them to be leaders in our company and our communities."

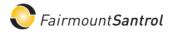


Scholarships

In 2016, we awarded six Sustainable Development Scholarships, ranging from \$500 to \$5,000, to eligible Family Members' dependents who are pursuing post-secondary education and have demonstrated an elevated commitment to SD. This year, the recipients completed several innovative projects that demonstrated passion for sustainable development and will have a lasting impact on communities.

We also awarded two Aspire Scholarships, in the amount of \$3,000 each, to offset post-secondary tuition costs for eligible Family Members' dependents based on financial need.

VIEW OUR APPROACH





COMMODITY PRICING AND DEMAND

OUR APPROACH ANNUAL PERFORMANCE

G4-DMA

The Cyclical Oil and Gas Industry

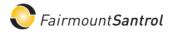
The oil and gas market has historically experienced cycles in demand and supply. Over the last 30 years we have seen and managed through roughly five downturns. Prior to 2015 and 2016, the most recent down cycle was in 2008 and 2009, when oil prices dropped by approximately 70 percent, peak to trough. Oil prices recovered, then dropped again by nearly 65 percent in 2015.

Monitoring commodity pricing and demand enables us to adjust our strategy when markets fluctuate. We manage through down cycles with strategies that include:

- Implementing cost reduction initiatives
- Driving efficiencies throughout the business
- Consolidating to a more cost-effective footprint
- Refining and optimizing our terminal network
- Increasing unit train capabilities
- Selectively investing to position our business for the future

Combined with the strength of our Family Members, stakeholder relationships, and commitment to sustainable development, this approach differentiates us as a partner of choice in the oil and gas industry.

VIEW ANNUAL PERFORMANCE





COMMODITY PRICING AND DEMAND

OUR APPROACH ANNUAL PERFORMANCE

In 2016, Fairmount Santrol shipped the highest raw frac sand volumes in our company's history—a significant accomplishment in a down market. We believe part of this success came from *Staying True* to SD, and to our ongoing dedication to "Do Good. Do Well."

Managing Through the Downturn

Our Family Members showed incredible resilience, courage, and dedication throughout 2016. To continue managing our commitment to Prosperity, we made several decisions that will strengthen our performance during future cycles. These included:

Consolidating facilities and investing in our new low-cost, state-of-the-art Wedron, Illinois, facility

Engaging our Family Members, SD Teams, and suppliers in determining efficiencies and cost reductions

Adopting a highly-disciplined approach to company spending

Improving our balance sheet through two equity raises and significant debt repayment

Growing our Industrial and Recreation business

Strengthening Employee Communications

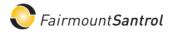
Though market conditions were tough, our Family Members' morale remained high. We increased our employee communications in 2016 to remain transparent, answer questions, and engage our Family Members. At Fairmount Forums, we explained organizational changes and how Family Members could contribute to our success. We also continued to fund employee development programs, including our SD teams, which we view as investments in our future.

Positioning Ourselves for Growth

There is always uncertainty in the oil and gas industry, but markets began to show signs of recovery near the end of 2016—with increases in oil prices and rig counts. Fairmount Santrol will carefully evaluate financial decisions and which of our idled mines to reopen. We will continue to test new products and promote our Propel SSP[®] Proppant Transport Technology, which increases production per well.

In 2017, we will focus on growing not only our Proppant Solutions business, but also our Industrial and Recreational (I&R) business, which has stable demand and balances our business. We successfully managed through a difficult year, and are even more committed to People, Planet, and Prosperity for the years to come.

VIEW OUR APPROACH





PRODUCT QUALITY

OUR APPROACH ANNUAL PERFORMANCE

G4-DMA

Fairmount Santrol creates high-quality, safe, and effective products. We continually deliver industry-leading solutions that excel in meeting our customers' expectations for performance and efficiency.

Governance for Quality

Fairmount Santrol's Director of Product Quality leads our efforts to maintain strong product quality and performance. Plant managers, regional quality managers, and terminal supervisors report on and have responsibility for quality at each of our facilities. Each site has key performance indicators specific to their products and processes. Quality managers and lab technicians assist plant managers in implementing quality practices throughout all levels of our business.

All plant managers sign and acknowledge our quality policy, displayed beside our environmental and safety policies at every facility. Furthermore, our quality and operations teams have separate reporting relationships to prevent conflicts of interest.

Quality Standards and Testing

Fairmount Santrol conducts quality testing for all our products several times throughout the production process—taking initial samples from blasting, during processing, and before loading material for transportation. We follow the standards and methods of ISO and ASTM certifications, as well as the American Petroleum Institute, American Foundry Society, American Water Works Association, and the U.S. Department of Agriculture. We comply with National Foundry Society (NFS) best practices at all locations. Furthermore, we are active in efforts by the American Petroleum Institute industry committee to define industry-wide test standards for proppant quality.

Testing occurs either on-site at each plant, at our Innovation Center (IC) in Ottawa, Illinois, or at our Technology Center (FSTC) in Sugar Land, Texas. Each final shipment contains a certificate of analysis (COA) and a safety data sheet (SDS) that verifies quality and informs how to safely handle the product.

Additionally, 100 percent of our production facilities undergo regular quality audits. Our certified internal auditors conduct assessments on a regular basis. We maintain quality standards that meet requirements set by the American Systems Registrar, the certifying body for ISO 9000 standards.

Managing Quality Throughout the Transportation Process

Fairmount Santrol understands that product quality issues can occur from transportation, weather, and handling methods during shipment. Our goal is to ensure products arrive to customers clean and safe. To achieve this, we have completed the following:

Invested in terminals to enable us to directly supervise product handling

Transitioned many deliveries from system railcars to private railcars, reducing the risk of contamination from previous shipments

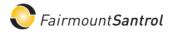
Increased shipments in sealed railcars that prevent weather and other environmental factors from impacting product quality

Partnered with our suppliers to improve packaging durability

Customer Feedback

Our customer promise is to deliver quality products, on time, and with exceptional customer service. We track customer feedback and address concerns through our customer service representatives and annual online survey. The survey evaluates our performance on order placement, delivery, quality, service, and packaging. Our ongoing goal is to have a Customer Satisfaction Index of 100%.

VIEW ANNUAL PERFORMANCE





PRODUCT QUALITY

OUR APPROACH ANNUAL PERFORMANCE

Continuous Improvement of Quality Standards

Fairmount Santrol is truly committed to providing our customers with excellent product quality. In 2016, we transitioned to new corporate quality standards that combine industry standards and best practices to provide uniform products across our organization. Over the past years, we evaluated and updated close to 50 documents related to product quality. These include:

Calibration methods	Truck and railcar inspection
Sieve analysis	Acid demand value (ADV) testing
Turbidity testing	Iron testing

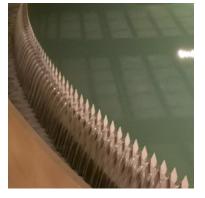
We make our up-to-date policies available through SharePoint, our centralized documentation system. This ensures all facilities have access to our corporate quality standards.

Responding to Customer Feedback

Fairmount Santrol values our customers' feedback on product quality. In 2016, we achieved a 30 percent response rate for our Customer Satisfaction Index survey. Our overall score of 99 percent shows that customers are satisfied with Fairmount Santrol as their partner of choice.

Customers provide insights and suggestions that we incorporate into our processes. For example, in 2016, one customer noted that truck drivers did not always receive the Certificate of Analysis (COA) that accompanies each delivery load. As a result, we implemented an email system that ensures all truck drivers across our facilities automatically receive the proper COA.

Another customer requested increased verification of delivery load quality. Fairmount Santrol responded by implementing photo records of truck loads at resin facilities. Upon customer request we can provide these images along with shipments, reinforcing our customers' confidence in our product quality.



Continued Partnership with Oil and Gas Customer

In 2016, we continued our partnership with a significant oil and gas customer to improve sand cleanliness and reduce turbidity—the cloudiness caused by suspended sand particles. This project tracked turbidity levels from the plant to the field to assess whether sand turbidity changes during transportation. In 2015, we conducted a six-week study to gauge turbidity levels and reached less than 100 FTU of turbidity, well below the industry standard of 250. This year, we continued our partnership through a collaborative study of conductivity based on turbidity. We plan to examine turbidity from raw sand in coming years.

ISO 9001

Fairmount Santrol continued compliance with ISO 9001 standards in 2016. We also began aligning our management plans with ISO 9001 updates that will take effect in 2017. Our 2016 ISO 9001 certified sites include:

Chardon, OH

Fredricia, Denmark

Hager City/Bay City, WI**

Menomonie, WI

Maiden Rock, WI*

Roff – Hickory, OK

Troy Grove, IL

Wedron, IL

Yixing, China

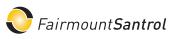
*Facility was closed or idled in 2016

**Idled/closed in 2016; currently functioning as a terminal

VIEW OUR APPROACH

PERFORMANCE SNAPSHOT

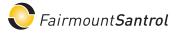
ORGANIZATIONAL PROFILE	FY2014	FY2015	FY2016
Number of Full-Time Employees	1229	856	744
Domestic	1128	808	716
International	101	48	28
Number of Part-Time Employees	7	9	7
Number of Temporary Employees	17	7	4
% of Women in Workforce	18%	18%	18%
% Minorities in Workforce	23%	20%	20%
% Employees Unionized	12%	15%	17%
ECONOMIC DISCLOSURES NDIRECT ECONOMIC IMPACT			
Community Spending	\$3.9 Million	\$2.26 Million	\$1.2 Million
ENVIRONMENTAL DISCLOSURES ENERGY			
Total Energy Consumption (GWh)	1,090	980	977
Energy per Unit of Production (Energy Use in MWh/Tons Sold)	0.11	0.12	0.11
Electricity Used (GWh)	170	157	166
Fuel Used – Coal/Lignite	0	0	0
Fuel Used – Natural Gas (10³ cu.m.)	71,337	61,827	65,110
Fuel Used – Oil/Diesel (10³ cu.m.)	6.5	5.7	3.9
BIODIVERSITY			
and Management – Percent of Total Owned Acreage Disturbed	19%	19%	12%
Certifications for Land Management, Remediation, and Biodiversity	Land Manage	ement, Remediation, an	d Biodiversity
EMISSIONS			
Scope 1/Direct GHG/CO2e (Th Tonnes)	180.3	162.0	157.7
Scope 2/Indirect GHG/CO2e (Th Tonnes)	111.4	101.5	101.3
Total GHG Emissions (Th Tonnes)	291.7	263.6	259.0
Emissions Reduction Initiatives		Goals and Metrics	
EFFLUENTS AND WASTE			
Total Waste to Landfill (Cubic Yards)	2,845	1,751	113
TRANSPORT			
Percent of Shipments via Rail	74%	83%	87%
Percent of Rail Shipments via Unit Trains	30%	49%	70%



SUPPLIER ENVIRONMENTAL ASSESSMENT	FY2014	FY2015	FY2016
		Supplier Survey	
	Sustainable Supplier Code of Conduct		
DTHER – ISO CERTIFICATION			
SO 14001 Certified Sites (% Sites Certified)	10 (37%)	3 (12%)	3* (15%)
ISO 9001 Certified Sites (% Sites Certified)	11 (41%)	10 (38%)	9 (45%)
Number of Sites	27**	26**	20**
SOCIAL DISCLOSURES EMPLOYMENT			
Domestic Employee Turnover % Excluding seasonal, temporary, retired, and deceased employees)	16.5%	52%	22.9%
OCCUPATIONAL HEALTH AND SAFETY			
Lost Time Incident Rate	0.5	0.3	0.5
Total Recordable Incident Rate	2.2	1.7	1.2
Fatalities – Employees	0	0	0
Fatalities – Contractors	0	0	0
Fatalities – Total			
TRAINING AND EDUCATION			
Employee Total Training Hours	12,356	14,379	13,294
SUPPLIER ASSESSMENT FOR LABOR PRACTICES			
		Supplier Survey	
	Sustainable Supplier Code of Conduct		
OTHER – SOCIAL POLICIES			
	Corporate Code of Business Conduct and Ethics		
INDIGENOUS RIGHTS			
ncidents of Violations Involving Rights of Indigenous Peoples	0%	0%	0%
LOCAL COMMUNITIES			
	Commun	ity Impact and Partner	of Choice

*These facilities were ISO-certified through mid-year; market conditions led to the idling of these facilities. Regardless of third-party certification, all operating facilities strive for ISO 14001 standards.

**All plants, mines, and coating facilities





about this report

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GRI CONTENT INDEX

GENERAL STANDARD DISCLOSURES SPECIFIC STANDARD DISCLOSURES UNGC COP Mar 2017 Service Content Index GRI Fairmount Santrol The General Standard Disclosures were not externally assured. **GENERAL STANDARD DISCLOSURES** LOCATION/DIRECT ANSWER Strategy and Analysis G4-1 **Organizational Profile** G4-3 Fairmount Santrol G4-4 G4-5 Chesterland, OH G4-6 G4-7 10-K Annual Report, pages 7, 29, 44, 57, 92 G4-8 G4-9 10-K Annual Report pages 6-7 9-13 24 31-38 49 67 69 75

G4-9	10-K Annual Report, pages 6–7, 9–13, 24, 31–38, 49, 67, 69, 75
G4-10	Organizational Profile
G4-11	Organizational Profile
G4-12	Stakeholder Engagement and Materiality
G4-13	10-K Annual Report, pages 6–10, 29, 31–38, 47, 57, 92
G4-14	Corporate Code of Business Conduct and Ethics, Sustainable Supplier Code of Conduct
G4-15	Global Reporting Initiative, United Nations Global Compact
G4-16	Partners and Collaboration

Identified Material Aspects and Boundaries

LOCATION/DIRECT ANSWER

G4-17	10-K Annual Report, Exhibit 21.1 (List of Subsidiaries); all entities in Exhibit 21.1. are covered in this report
G4-18	Stakeholder Engagement and Materiality
G4-19	Stakeholder Engagement and Materiality, GRI Content Index
G4-20	Stakeholder Engagement and Materiality
G4-21	Stakeholder Engagement and Materiality
G4-22	We did not restate any data from our 2016 report.
G4-23	In 2016, we idled or closed several facilities (noted throughout the indicators), and expanded our Wedron facility.

Stakeholder Engagement		
G4-24	Stakeholder Engagement and Materiality	
G4-25	Stakeholder Engagement and Materiality	
G4-26	Stakeholder Engagement and Materiality	
G4-27	Stakeholder Engagement and Materiality; Our response to key topics and concerns raised by stakeholders is described in our disclosures on our management approach for each material topic throughout this report.	

Report Profile

G4-28	Calendar year
G4-29	Our most recent previous report was published in 2016.
G4-30	We report annually.
G4-31	For questions regarding our report or its content, please contact Beau Daane, Director of Sustainable Development, at Beau.Daane@FairmountSantrol.com.
G4-32	Report in accordance with the Global Reporting Initiative's (GRI) G4 guidelines "Core" option.
G4-33	This report is not externally assured.
Governance	
G4-34	Corporate Governance; Our board of directors is composed of ten members, one woman and nine men, including one executive, nine independent directors, and eight shareholders.
Ethics and Integrity	
G4-56	Compliance and Ethical Behavior



about this report

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GRI CONTENT INDEX

GENERAL STANDARD DISCLOSURES	SPECIFIC STANDARD DISCLOSURES	UNGC COP	
GRI Content Index Fairmount Santrol			
he Specific Standard Disclosures were no	t externally assured.		
DMA AND INDICATORS	LOCATION/DIRECT ANSWER	OMISSIO	NS
Category: Economic			
Material Aspect: Economic Performance			
G4-DMA	Prosperity of Family Members, Commodity Pricing and Demand		
G4-EC1	Prosperity of Family Members, Community Investment, 10-K Annual Report		
Material Aspect: Indirect Economic Impacts			
G4-DMA	Community Investment		
G4-EC7	Community Investment		
Category: Environmental			
Material Aspect: Energy			
G4-DMA	Energy Use		
G4-EN3	Energy Use; Our energy consumption metric includes electricity (indirect) and fuel (direct). Fairmount Santrol does not sell any electricity, heating, cooling, or steam.	renewable , resources a currently u	track fuel consumption from compared to non-renewable at this time. The information is navailable. We will take steps in termine if we can collect this n.
G4-EN5	Energy Use; The ratio is comprised of fuel use directly by Fairmount Santrol and electricity sourced from suppliers.	ed	
Material Aspect: Water			
G4-DMA	Water Use and Quality		

DIVIA AND INDICATORS	LOCATION/DIRECT ANSWER	014115510145
G4-EN10	Water Use and Quality	The total volume of water recycled and reused is currently unavailable. Although water withdraw for some operations is large, we estimate that approximately 90% of the water used across our operational footprint is recycled. We track water usage, but cannot make statements about the total volume until we can more accurately account for it. Due to resource restrictions, we are currently unable to do so. When market conditions rebound, we will reconsider allocating resources to improve the accuracy related to the total volume of water usage and percent recycled and reused.

Material Aspect: Biodiversity

G4-DMA	Land Management, Remediation, and Biodiversity	
G4-EN13	Land Management, Remediation, and Biodiversity	
MM1	Land Management, Remediation, and Biodiversity	

Material Aspect: Emissions

G4-DMA	Air Quality	
G4-EN15	Air Quality; Our chosen base year is 2013 so we can compare our emissions year over year. We include $CO_{2^{\prime}}$ N ₂ O, and CH_4 from fuel sources in our calculations. We do not have any biogenic emissions for this reporting period. Our source for emissions factors is the U.S. EPA, Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990–2002, Annex 6. Our chosen consolidation approach is operational control.	
G4-EN16	Air Quality; Emissions included in our calculations are CO ₂ from electricity. Our chosen base year is 2013 so we can compare our emissions year over year. Our sources include the U.S. DOE/EIA, 2004 Annual Energy Outlook , 2004, Appendix H and the U.S. EPA, Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990–2002, Annex 6. Our chosen consolidation approach is operational control.	
G4-EN18	Air Quality; Our emissions intensity ratio includes Scope 1 and Scope 2 emissions. We include CO ₂ , N ₂ O, and CH ₄ from in our calculations.	

Material Aspect: Effluents and Waste

G4-DMA	Solid Waste	
G4-EN23	Solid Waste; We dispose of our waste through recycling, composting, waste to energy, and landfills. Our waste disposal method has been determined by our direct disposal of waste and information provided by waste contractors.	Waste by disposal method is currently unavailable. Our waste is tracked by estimated volume rather than weight. Measuring by weight would be more accurate, however, that would tie up our scales which are needed for shipments. Due to resource restrictions, we are currently unable to measure waste by disposal method. When market conditions rebound, we will reconsider allocating resources to do so.

LOCATION/DIRECT ANSWER

Material Aspect: Transport

G4-DMA	Transportation Logistics, Efficiency, and Emissions	
G4-EN30	Transportation Logistics, Efficiency, and Emissions	Impacts from transporting members of the workforce is not applicable due to the fact that it is not material compared with the transportation footprint of shipping our products.
Material Aspect: Supplier Environmental Asse		

G4-DMA	Stakeholder Education and Influence	
G4-EN32	Stakeholder Education and Influence	

Category: Social

Sub-Category: Labor Practices and Decent Work

Material Aspect: Occupational Health and Safety

G4-DMA	Safety	
G4-LA6	Safety	Safety rates by region and gender, and contractor safety metrics are currently unavailable. We benchmark our safety metrics against our industry and do not track data by gender and region at this time. We work very closely with contractor populations to manage safety training and daily implementation. In 2017 we will look into the possibility of measuring by region, gender and contractor population.

Material Aspect: Training and Education

G4-DMA	Employer of Choice
G4-LA10	Employer of Choice; Regarding assistance in managing career endings, Fairmount Santrol treats Family Members fairly and works with outplacement firms to provide assistance to those transitioning out of the organization.

Material Aspect: Supplier Assessment for Labor Practices

G4-DMA	Stakeholder Education and Influence	
G4-LA14	Stakeholder Education and Influence	

Category: Social

Sub-Category: Human Rights

Material Aspect: Indigenous Rights

G4-DMA	Community Impact and Partner of Choice	
G4-HR8	Community Impact and Partner of Choice; Fairmount Santrol had zero incidents of violations involving the rights of indigenous peoples during the reporting period.	

Category: Social

Sub-Category: Society

DMA AND INDICATORS	LOCATION/DIRECT ANSWER	OMISSIONS
G4-DMA	Community Impact and Partner of Choice	
G4-SO1	Community Impact and Partner of Choice; All Fairmount Santrol facilities proactively engage with their local communities and abide by applicable laws.	
MM7	We did not have to use any grievance mechanisms in 2016.	
Non-GRI Material Aspects		
Indicator: Total volunteer hours and average volunteer hours per employee	Community Investment	
Indicator: Engagement from Full-Time Equivalents (FTE) in innovative research and development technology projects	Product Innovation	
Indicator: Number of sites that have achieved OHSAS 18001 certification and ISO 14001 certification out of total number of sites	Planet, Safety	
Indicator: Percentage of employees: a. fit- tested for respirators and b. who undergo biennial health testing	Product Health and Safety	
Indicator: Number of sites that have achieved ISO 9001 certification out of total number of sites	Product Quality	

PRINCIPLE	PRINCIPLE DESCRIPTION	LOCATION
8	Businesses should undertake initiatives to promote greater environmental responsibility	Policies Corporate Code of Business Conduct and Ethics Sustainable Supplier Code of Conduct Implementation Goals and Progress Product Innovation Community Impact and Partner of Choice Stakeholder Education and Influence Planet
9	Businesses should encourage the development and diffusion of environmentally friendly technologies	Implementation Product Innovation Energy Use Water Use and Quality Solid Waste
10	Businesses should work against corruption in all its forms, including extortion and bribery	Policies Anti-Corruption Policy Corporate Code of Business Conduct and Ethics



our company

STAYING TRUE | 2016 CORPORATE SOCIAL RESPONSIBILITY REPORT

GRI CONTENT INDEX

GENERAL STANDARD DISCLOSURES SPECIFIC STANDARD DISCLOSU		SURES	UNGC COP	
PRINCIPLE	PRINCIPLE DESCRIPT	TION	LOCAT	ION
1	Businesses should suppo internationally proclaimed	rt and respect the protection of d human rights	Sustaina Impleme Safety Product Employe Prosperi Commu	ite Code of Business Conduct and Ethics ible Supplier Code of Conduct entation Health and Safety er of Choice ity of Family Members nity Investment nity Impact and Partner of Choice
2	Businesses should make s rights abuses	sure they are not complicit in human		ble Supplier Code of Conduct plower Policy
3		d the freedom of association and the ne right to collective bargaining	Policies Corpora	te Code of Business Conduct and Ethics
4	Businesses should upholo forced and compulsory la	d the elimination of all forms of bor		te Code of Business Conduct and Ethics ble Supplier Code of Conduct
5	Businesses should upholo labor	the effective abolition of child	Policies Sustaina	ble Supplier Code of Conduct
6	Businesses should upholo respect of employment a	d the elimination of discrimination in nd occupation		ite Code of Business Conduct and Ethics ible Supplier Code of Conduct
7	Businesses should suppo environmental challenges	rt a precautionary approach to	Sustaina Impleme Corpora	ite Code of Business Conduct and Ethics ible Supplier Code of Conduct entation ite Governance Ider Engagement and Materiality
			Commu	nity Impact and Partner of Choice Ider Education and Influence