Sustainability Report 2021

ADVANSix



### MESSAGE FROM THE CEO

Dear Stakeholders,

At AdvanSix, our core values of Safety, Integrity, Accountability and Respect are the foundation of our business. I am proud to share our 2021 Sustainability Report, which provides a look at our progress and performance and reflects our commitment to continuously improving our health, safety and environmental performance to best serve our customers, our key stakeholders and the communities where we live and work.

In 2021, AdvanSix marked our fifth anniversary as an independent public company listed on the New York Stock Exchange. Throughout this milestone year, we made meaningful progress on living our values as we move forward together with our stakeholders on the journey to a more sustainable future.

I am proud to share some of our key highlights for the year on several of our material topics as we worked to fulfill our purpose of being our customers' trusted partner for Advantaged Chemistries by caring, innovating and advancing together. Among our recognitions in 2021, AdvanSix was awarded a Platinum Rating for corporate social responsibility by EcoVadis, an independent CSR agency. In addition:

- We continued to sharpen our focus on our sustainability strategy, initiating a life-cycle assessment to ground the cradle-to-gate footprints of our products. This effort will be critical to the evolution of our sustainability strategy and will underpin our ability to best meet the sustainability objectives of our customers.
- We affirmed our commitment to water stewardship in the communities where we live and operate by completing a Water Body Risk Assessment, examining water quantity, quality and physical risks and opportunities from our operations. We continue to take actions every day to meet our objective to conserve water and protect the many local and regional source and discharge watersheds near our operations.
- We again renewed our commitment and support to the ten principles of the United Nations Global Compact, which we signed in 2020.
- Our equity, diversity and inclusion journey continued to progress, both within AdvanSix and in the community we serve. In 2021, more than 40 percent of our new hires were diverse, and we furthered our understanding of diverse perspectives by conducting Days of Understanding at our largest manufacturing facility to listen to employee experiences and gather feedback for improvement. AdvanSix was also recently recognized for our efforts to champion diversity at all levels as a 3+ Company for having three or more women on our corporate board of directors by 50/50 Women on Boards, the leading education and advocacy campaign driving gender balance and diversity on corporate boards.
- To drive our sustainability strategy and action plan, AdvanSix created the new role of Senior Director of Sustainability. Phil Rabbat will work with teams across AdvanSix, to refine our go-forward strategies, closely track and analyze our environmental impact and identify opportunities to harmonize our activities and policies with sustainable environmental practices.

I invite you to learn more about our progress in this year's report and look forward to continuing to live our values and accelerate our integration of sustainability into our company strategy as we move forward together.

Criff Kane

Erin N. Kane - President and CEO, AdvanSix

### **OUR SUSTAINABILITY STRATEGY**

Our priority is to ensure safe, stable and sustainable operations through best-in-class performance.

Our strong legacy and ongoing commitment to operational excellence — including process safety and adherence to the American Chemistry Council (ACC) Responsible Care® guiding principles — remains a solid foundation for our corporate sustainability programs. Importantly, sustainability is highly integrated into our overall corporate strategy and value creation roadmap, with a focus on strengthening our culture, improving through-cycle profitability, enhancing portfolio resiliency and maintaining disciplined capital stewardship.

Our commitment continues to grow. In 2021:

- Our <u>Platinum Rating</u> by EcoVadis' places us in the top 1% of all companies assessed. During 2021, we sought ways to continue to expand our efforts.
- We were able to embark on our first full year as a member of <u>Together for Sustainability</u> (TfS), an initiative focused on delivering the global standard for environmental, social and governance performance of chemical supply chains, with milestones achieved relative to assessing critical suppliers.
- We maintained our commitment to Operation Clean Sweep®, an industry initiative to keep plastic waste out of the marine environment, by integrating the effort into the site's existing 5S program, installing equipment to prevent chip discharges to waterways and acquiring new equipment to clean up chip spills.
- We also continued to align initiatives consistent with our commitment to the <u>UN Global Compact</u>, undertaking efforts to implement universal sustainability principles with respect to our business practices.











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### FORWARD LOOKING STATEMENTS

This report contains certain statements that may be deemed "forward-looking statements." within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. All statements, or historical fact, that address activities, events or developments that our management intends, expects, projects, believes or anticipated by words such as "expect." "anticipated," "estimate," "vition," "rained," "goal," "may," "will," "should" and "believe" and other variations or similar terminology as the meaning of the company to be materially different from any piture results or performance expresses or implied by such forward-looking statements. Such risks and uncertainties include, but are not limited to general economic and financial material vaccination rates; the scope, shape and pace of recovery of the pandemic; the timing of the distribution and efficacy of vaccines or treatments for COVID-19 pandemic and any resurgences; the scope, shape and pace of recovery of the pandemic; the timing of the distribution and efficacy of vaccines or treatments for COVID-19 that are currently available or may be available in the future and related vaccination rates; the severity and transmissibility of newly identified strains of COVID-19 pandemic, including our business continuity and cash optimization plans that have been, and may in the future be, implemented; the impact of social and economic restrictions and other containment measures taken to combat virus transmission; the effect on our customers of our and other containment measures taken to combat virus transmission; the effect on our customers to part on our products; and other covided and supplications of reduced refinery utilization in the U.S., our ability to sell and provide our goods and services, including and restrictives covenantly closures of our and our customers to part our products or the pandemic, including implications or our products and other covidences and individuals actions or restrictions; the ability to our products and other covidences and individ

### OUR PRIORITY TOPICS AND ESG GOALS

In 2018, we conducted a collaborative and cross-functional materiality assessment at the time of our inaugural Sustainability Report to determine which sustainability topics to prioritize and to guide the development of our sustainability strategy and related programs.

Key factors identified in the materiality assessment were safety performance, environmental compliance, operational impacts, and quality and product performance. In 2019, we added carbon footprint and emissions as a priority topic given their impact on society and on our business.

For 2020, we reaffirmed these topics through an assessment of internal and external inputs to ensure alignment with prevalent Environmental, Social, and Governance (ESG) frameworks, including Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), Task Force on Climate-related Financial Disclosures (TCFD), EcoVadis, the United Nations Sustainable Development Goals (UN SDGs) and others. As a result of that assessment, we identified and added two new material topics covering water stewardship in our local communities and fostering an equitable, diverse and inclusive workplace. We utilize cross-functional teams who interact with our Sustainability Council to prioritize materiality of topics, address categories that are applicable in our industry and align with our strategic goals.

We continued in 2021 to sharpen our focus on sustainability. We initiated a life-cycle analysis that will enable us to understand and communicate the cradle-to-gate environmental footprints of our products. We enhanced our reporting by completing a third-party assurance of selected disclosures within this Sustainability Report. We completed a Water Body Risk Assessment, which examined water quantity, quality and physical risks and opportunities from our operations. Finally, we started on the path to completing a disclosure under the CDP global disclosure framework, building on our current reporting we already do under GRI and other standards.

Zero fatalities and incidents SAFETY PERFORMANCE Top quartile Creating safe and healthy working conditions for employees and contractors; protecting communities ACC safety performance through safe process operations, material transportation, materials management and emergency preparedness; and promoting a culture to Live Safety and CARE (Courage to Act Respond and Engage) 100% product **QUALITY AND PRODUCT PERFORMANCE** regulatory compliance Driving product quality across unit operations to meet customers' needs; continuously improving our product portfolio through discovery and innovation; and executing a rigorous product stewardship & safety program to control and minimize our products' safety risks and any adverse effects on human and animal health and on the environment Zero pellet loss to the environment 100% environmental **ENVIRONMENTAL COMPLIANCE** compliance Acting in accordance with environmental laws and regulations; and establishing standards and processes that are more stringent than regulatory requirements. No Net Increase **CARBON FOOTPRINT AND EMISSIONS** GHG emissions Preparing for the impacts of climate change on our business; and reducing GHG emissions throughout our operations and product life cycles No Net Increase Water usage WATER STEWARDSHIP IN LOCAL COMMUNITIES Substantively Demonstrating ongoing compliance with federal and local regulations and increase our committing to engagement with our local communities in shared watershed regions Diverse representation by 2030

### **EQUITABLE, DIVERSE AND INCLUSIVE WORKFORCE**

Cultivating a culture of fair and respectful treatment of all people where all individuals practice open mindedness and feel respected, accepted and valued



### OUR COMPANY AND PURPOSE

Our purpose is to be our customers' trusted partner for Advantaged Chemistries by caring, innovating and advancing together.

This purpose embodies our approach and illuminates our strategic path forward. Together we deliver <a href="Advantaged Chemistries">Advantaged Chemistries</a> that are the building blocks for our customers' success.

AdvanSix plays a critical role in global supply chains, innovating and delivering essential products for our customers in a wide variety of end markets and applications that touch people's lives, such as building and construction, fertilizers, agrochemicals, plastics, solvents, packaging, paints, coatings, adhesives and electronics.

Our reliable and sustainable supply of quality products emerges from the integrated value chain of our five U.S.-based manufacturing facilities. Our core values of Safety, Integrity, Accountability and Respect provide a foundation for our culture and guide us in all we do.

Our empowered, high-performing culture includes approximately

1,375 teammates
that serve about 400 customers
annually in approximately

50 countries globally.









### Our Company Today

AdvanSix Inc. (NYSE: ASIX) is one of the industry's most efficient manufacturers as a result of our proven, vertically integrated manufacturing process, world-scale facilities and robust supply chain, all of which support our global low-cost position. Our integrated business model – including our unique, competitive asset base, and leading customer positions across a diverse set of end uses and applications – is core to our ability to navigate through any environment and ensure the highest levels of reliability, consistency and quality to meet our customers' needs.

We strive to deliver best-in-class customer experiences and differentiated products in the nylon, chemical intermediates and plant nutrients industries.



### Our Rich History

Last year, we marked our fifth anniversary as an independent company, a milestone in a rich history with a deep and long-standing commitment to safety and operational excellence.

Our facility in Frankford, Pennsylvania traces its beginnings to 1884, when the site was used by the H.W. Jayne Company to produce coal chemicals, and is one of the longest continuously operating chemical plants in the country. In the late 1920s, our Hopewell, Virginia plant was the site of the second commercial ammonia start-up in the western hemisphere. We added our first caprolactam plant to the Hopewell site in the 1950s, followed closely by a nylon polymerization plant at the Chesterfield, Virginia site to further functionalize materials produced at Hopewell.

The early engineers and laborers who built this company and our industry are hailed as pioneers in the North American synthetic nitrogen fertilizer industry, which remains essential to food production. Their discoveries set the company on its course for the many innovations, improvements and culture of operational excellence that benefit our customers, influence our sustainability efforts and remain core to who we are today.









### 2021 Highlights

In 2021, our Company once again delivered outstanding results and supported our customers, all while continuing to successfully navigate the ongoing COVID-19 pandemic, significant industry supply chain disruptions and an inflationary cost environment. The strong results reflect the resilience and strength of our execution and integrated business model as well as leadership positions across our diverse product portfolio.

Some of the notable highlights include:

- Achieved post-spin record annual sales, earnings and cash flow.
- Completed our first acquisition, purchasing certain assets of Commonwealth Industrial Services, Inc. for approximately \$9.5 million.
   The acquisition enabled us to expand our product offerings by directly supplying packaged ammonium sulfate to customers, primarily in North and South America.
- Initiated a \$0.125 per share quarterly cash dividend on the Company's common stock reflecting confidence in our financial strength and ability to generate strong and sustainable free cash flow.
- Completed a refinancing of our existing credit facility by entering into a new 5-year, \$500 million revolving credit facility providing increased liquidity and flexibility at lower borrowing costs reflecting strong business performance and more favorable credit market conditions.
- Significantly reduced our debt levels to provide optionality for further value creation.
- Remained well-positioned as the world's lowest-cost producer of caprolactam.
- Continued to build long-term growth capabilities through our differentiated product portfolio; these products have grown to approximately 11% of total sales in 2021 from approximately 8% of sales in 2017.
- Added 100% post-industrial recycled (PIR) grades to our industry-leading portfolio of Aegis® PA6 Resins and Capran® Biaxally Oriented Polyamide (BOPA) films.
- Awarded a 2021 Platinum rating for corporate social responsibility (CSR) from EcoVadis, an independent CSR assessment agency. The Platinum rating puts the Company in the top 1% of all companies assessed.
- Ranked 30th in the 100 Best ESG Companies of 2021 by Investor's Business Daily.
- Named one of Newsweek's Most Responsible Companies in November 2021.
- 100% of AdvanSix manufacturing locations are <u>RC14001:2015</u> and ISO9001:2015 certified, with scope set forth in certificates for Chesterfield, Frankford and Hopewell.



### Sustaining Momentum in 2022

Our focus on environmental, social and economic sustainability remains strong.

Activities early in the year highlighted a commitment to expand our presence in agrochemicals supporting crop protection and global food production through the acquisition of U.S. Amines. The integration of U.S. Amines, including into our sustainability reporting and initiatives, is progressing well and we are excited about the future opportunities for the combination of our businesses.

Overall, our integrated business model and diverse end market exposure continue to support our expectations for significant earnings growth and robust cash flow in 2022. We are well positioned to deliver sustainable performance and attractive returns over the long-term as we strengthen our culture and improve through-cycle profitability, enhance portfolio resiliency and maintain disciplined capital stewardship.

### FOR ADDITIONAL INFORMATION

Regarding AdvanSix's business, financial results and operations, please refer to our <u>Investor Webpage</u> and our <u>2021 Annual Report</u>. For more information on our policies and procedures related to environmental, social and governance, please refer to our Global Citizenship Webpage. For questions regarding the report, please email investorrelations@advansix.com.

### **Our Product Lines**

AdvanSix plays a critical role in global supply chains, innovating and delivering essential products for our customers through our proven, vertically integrated manufacturing process, world-scale facilities and robust supply chain.

### NYLON SOLUTIONS

Leading North American Producer – Global Low-Cost Position

### **Products**

Caprolactam (Flake and Molten)

Nylon 6 Resin

Nylon 6/66 Copolymer Resin

Nylon Films

### **End-Use Applications**

Carpets

Engineered Plastics

Packaging



### PLANT NUTRIENTS

Global Leader – Largest Single-Site Producer of Ammonium Sulfate in the World

### **Products**

Ammonium Sulfate Fertilizer

- Granular
- Mid-grade
- Standard

Packaged Ammonium Sulfate

### **End-Use Applications**

Crop and Lawn/Turf Fertilizer
Herbicide Adjuvants
Industrial



### CHEMICAL INTERMEDIATES

Leading North American Positions
Across Key Product Offerings

### **Products**

Acetone Oximes

Phenol Sulfuric Acid

Cyclohexanone/ Carbon Dioxide

Cyclohexanol Ammonia

AlphaMethylstyrene Alkyl and
Specialty Amines

### **End-Use Applications**

Paints/Coatings Adhesives

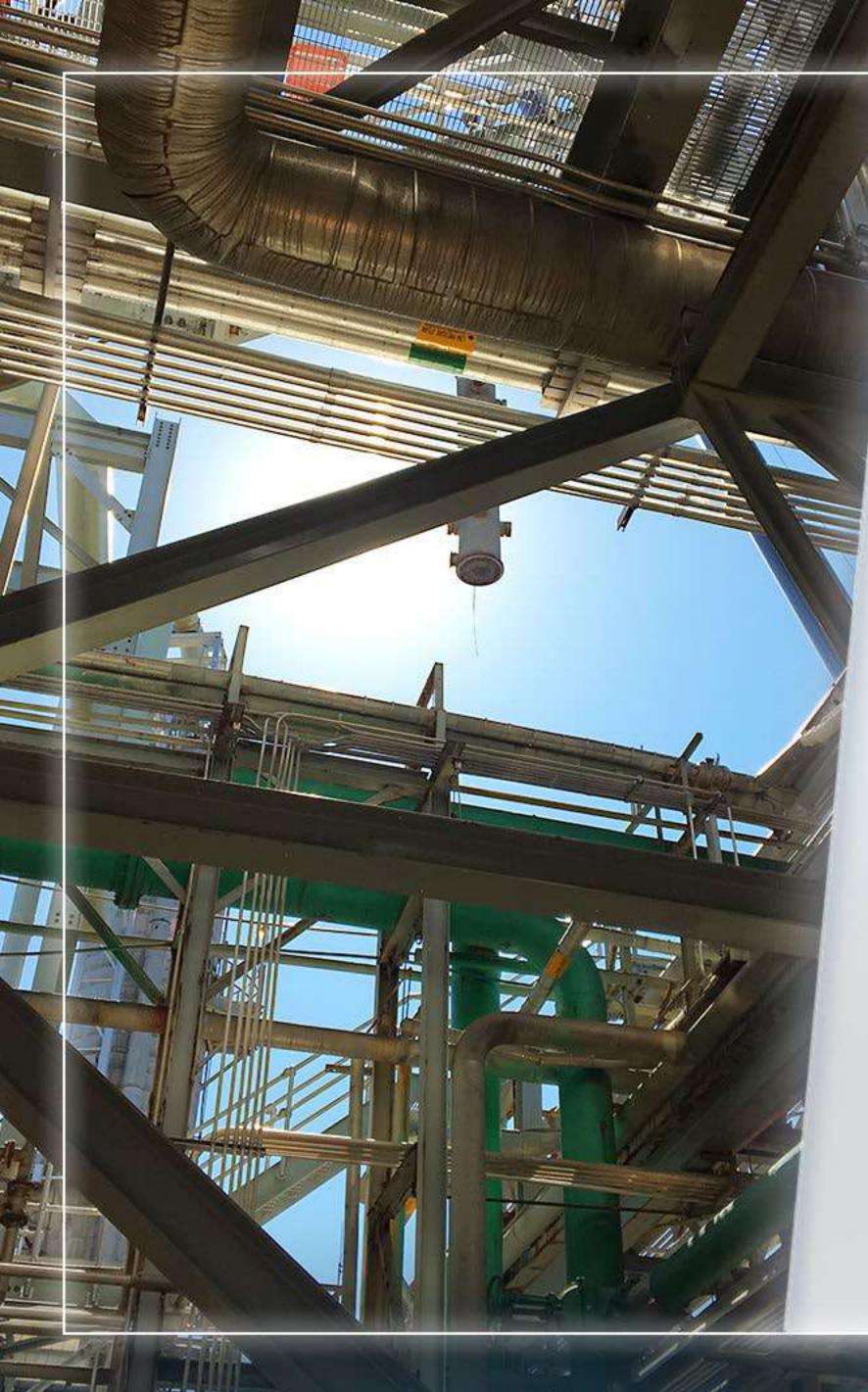
Building and Construction Solvents

Electronics Agrochemicals

Engineered Resins



- 2021 SALES BY PRODUCT LINE -



### Our Operations in 2021

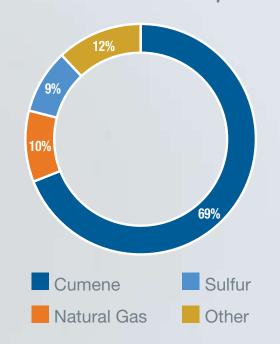
Production output across our sites in 2021 was 1909 million pounds of product compared to 2020 production output of 1886 million pounds.\*

Total sales in 2021 were \$1,685 million compared to \$1,158 million in 2020, driven by the favorable impact of market-based pricing, higher raw material pass-through pricing and higher volume. In 2021, AdvanSix's net income was \$140 million, an increase from \$46 million in 2020, driven in part by improved market-based pricing, net of increased raw material costs, higher volume and strong execution. Our annual costs include employee wages and benefits, contractors, feedstocks, logistics (trucking, rail and marine), and other operating costs.

Raw materials represent on average over 50% of total company costs of goods sold. A breakdown of our 2021 direct raw material spend is shown below.

\* Represents key production output at each facility.

2021 Direct Raw Material Spend



### Vertically Integrated Value Chain

Our operations are managed as an integrated value chain across three primary manufacturing sites, with skilled plant leadership and operators enabled by robust supply chain, procurement and technology teams.

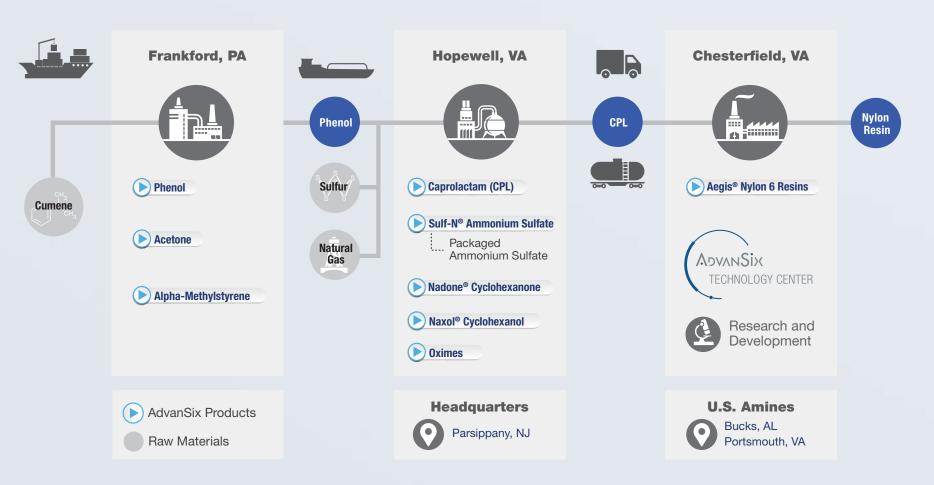
Our production process consumes three key raw materials — cumene, natural gas and sulfur. We purchase raw materials from multiple suppliers to ensure security of supply and optimal terms. Cumene is used to manufacture phenol, acetone and alpha-methylstyrene at the Frankford plant. The majority of the phenol manufactured is then transferred to the Hopewell facility where it is further processed, with natural gas and sulfur inputs, into caprolactam, ammonium sulfate and other materials.

In recent years, approximately 50-60% of the caprolactam produced at the Hopewell facility has been shipped to our nearby Chesterfield site where it is polymerized into Aegis® Nylon 6, and 6/66 co-polymer resin. All the other products we manufacture along our value chain, including acetone and Nadone® and others, are monetized across a diverse range of end markets and applications.

The AdvanSix Technology Center, located at our Chesterfield site, is home to the company's researchers and scientists.

The R&D team works closely with the sales, marketing and operations colleagues to accelerate new and differentiated product development, improve manufacturing technology and processes and enable more effective collaboration with customers. The re-installed resins pilot line commissioned in 2020 enables R&D and small batch synthesis of experimental materials for customer sampling. Notably, our R&D organization remained continually staffed through COVID-19, through implementation of numerous new procedures to ensure the safety of our employees. During this time, the team successfully drove adoption of new materials, achieved product qualifications, and supported manufacturing processes to continue delivering quality products.

### Our Value Chain



In early 2022, the company acquired U.S. Amines, a leading North American producer of intermediates used in agrochemicals, pharmaceuticals and other applications, including its two manufacturing locations in Bucks, AL and Portsmouth, VA



### Efficient Logistics

The logistical requirements of our operations drive local and regional commerce well beyond the boundaries of our facilities. Our teams transport roughly 7-8 billion pounds of material annually through our operations and supply chain. Details of our trucking, rail and marine transportation in our operations are shown below.



• >14,000 truck shipments

**TRUCKING** 

~19% of total freight spend



### **MARINE**

- Dry bulk loading 35 vessels in Hopewell with additional ~1,875 ocean containers for exports shipped in 2021
- · Operating four barges, one oceangoing vessel on time charter
- ~39% of total freight spend

An agile, reliable supply chain and maintenance of optimal inventory levels are imperative to our operations. We build long-term relationships with our suppliers, and only enter into supplier agreements with companies

we understand to have demonstrated a record of and commitment to integrity. We work proactively to



### RAIL

- >17,000 rail shipments
- ~42% of total freight spend







**Conversion from Diesel to Electric Truck** 

### **Scale House Improvements**



introduce sustainability requirements to our supply chain.



A team of AdvanSix employees undertook an initiative to improve the efficiency of the scale house and weighing operations. Notably, the integration of IT systems has facilitated access to and printing of trucking paperwork directly at the scale house. This reduces truck idle time and eliminates the requirement for the trucks to return to the nearby manufacturing facility in order to receive printed paperwork, which reduces local traffic, truck idle time, avoids unnecessary travel and streamlines the weighing process through seamless integration. We estimate that 30 minutes of idle time is saved per load being transported and weighed, amounting over 2021 to about 8 metric tons CO<sub>2</sub>e of avoided GHG emissions.

The Chesterfield team has been evaluating the feasibility of converting our yard trucks from diesel-powered engines to electric. In addition to reduction of CO<sub>2</sub> emissions, the conversion is expected to reduce maintenance costs. The team has completed a trial of an electric powered truck and working to plan a second trial with some extra options to make it more functional to the rugged demands of the required tasks on-site. Feedback from drivers is positive and the initiative is gaining momentum.

# **ANNIVERSARY** FSTABLISHED 2016

### AdvanSix Celebrates Our Fifth Anniversary

In 2021, AdvanSix celebrated five years as an independent, publicly traded company.

Throughout the company, employees safely gathered to commemorate this significant milestone in the AdvanSix journey. Historical slideshows and signage were displayed throughout the sitewide celebrations, highlighting our company's many achievements over the past five years. In recognition of this achievement, each employee was awarded a one-time anniversary monetary reward and AdvanSix apparel.

NYSE October 7, 2016



Team AdvanSix at the New York Stock Exchange, ringing the closing bell to mark our first week of trading.

### Frankford





Since our company's inception, our team shows up and demonstrates its grit and resiliency, while caring deeply for the customers and partners with whom we work, and always caring for and supporting each other in ways big and small, seen and unseen.

### Hopewell









Each site took a moment to celebrate how innovation has taken root across the organization, contributing to our hallmark safe, stable and sustainable operations, and pushing us to reach our potential.

### Chesterfield







Team members took time to pause and reflect on their collective journeys with AdvanSix, all that each person contributed, how we have come together as a team and all that we have accomplished together in the last five years.







### Parsippany



As a team, we celebrated our track record of coming together to solve problems, serve our customers, improve our processes, and embrace innovation.



### OUR ESG FOUNDATION AdvanSix Sustainability Council

Our Sustainability Council, formed to holistically assess our corporate sustainability and ESG practices, took root in 2020.

The Council, comprised of senior leaders, acts as a governance body on strategy development and collaborates with a network of subject matter experts throughout the organization with a focus on enhancing sustainability across our processes and product innovation and an unwavering commitment to our employees.

The Council has refined our corporate sustainability strategy, prioritized work streams and related goals, as well as enhanced public disclosures aligning with the prevalent reporting frameworks. Our 2021 Sustainability Report supports our goal of transparency by aligning with the GRI (Global Reporting Initiative) Standards Core, using guidance of the SASB (Sustainability Accounting Standards Board) as well as the TCFD (Task Force on Climate-related Financial Disclosure).

The Council reports quarterly to the Health, Safety, Environmental and Sustainability Committee (HSE&S Committee) of the AdvanSix Board of Directors. The HSE&S Committee, established in early 2020, is responsible for oversight of our policies and programs relating to compliance with health, safety, environmental and sustainability matters, including process safety, security, asset reliability, product safety and stewardship, community engagement and government affairs, as well as other matters regarding AdvanSix's role as a responsible corporate citizen.

### SUSTAINABILITY COUNCIL GOVERNANCE

Board of Directors

Health, Safety, Environmental & Sustainability (HSE&S)

Committee of the Board of Directors

Executive Leadership Team

### **Sustainability Council**

Human Resources

Product Stewardship & Safety

Technology Product and Process Innovation

Corporate and Commercial Strategy

Operations & HSE

Procurement Supply Chain & Logistics

Legal & Compliance

### Our Stakeholders

Sustainability is critical to our business and our relationships with key stakeholders. We consider our employees to be our most important stakeholders, joined by customers, suppliers, shareholders, the communities in which we operate, as well as regulators and industry associations. Our goal is to encourage and maintain open, honest, two-way communication with all stakeholders and approach engagement on both corporate and community levels. Increasing transparency in our annual sustainability reporting is one way we do this. Please see GRI Disclosure 102-44 in the Content Index of this report for details on topics and concerns we judge to be relevant to our stakeholders, and details on how we engage with each group of stakeholders.











### **UN Global Compact**

In 2020, AdvanSix signed its commitment to the United Nations Global Compact.

At AdvanSix, one of our core values is integrity, and we have always supported the values of the UN Global Compact. Formalizing that means we are committed to meeting fundamental responsibilities in four areas – Human Rights, Labor, Environment and Anti-Corruption – and providing an annual update on our progress toward implementing the UN Global Compact's 10 principles and advancing the UN Sustainable Development Goals (SDGs). The UN Global Compact's principles are part of our day-to-day business practices, connected with our organization's empowered highperforming culture, and consistent with our overall commercial and sustainability strategies. This report, along with the appended GRI Content Index, serves as AdvanSix's Communication on Progress to the UN Global Compact.

### Sustainable Development Goals

The <u>United Nations SDGs</u> provide the framework for stimulating sustainable growth in the areas of people, planet, prosperity, peace, and partnership. As identified in past reporting, AdvanSix has highlighted goals that align with our values. The icons to the right link to relevant sections in this report. AdvanSix will continue to align with these SDGs as we progress on our sustainability journey.

1 NO POVERTY



We work with various non-profits including Rebuilding Together, Jersey Cares and the Boys and Girls Club to support underserved communities.





Our products contribute to the SDG's initiatives for sustainable food production, systems, and resilient agricultural practices, and as a producer of ammonium sulfate with dedicated regional agronomists, our expertise contributes to increased crop yields and the efficient use of arable land.

4 QUALITY EDUCATION



We build relationships with community colleges to promote the learning of technical skills, and our growing co-op program for university students provides hands-on engineering experience. We are also proud sponsor of the Future of STEM Scholars (FOSSI) initiative.



Women comprise half our senior leadership team, and our first employee resource group is focused on supporting women in manufacturing. In addition, over 40 percent of our corporate board seats are represented by women.

8 DECENT WORK AND ECONOMIC GROWTH



We hired and effectively on-boarded approximately 175 new employees in 2021, and our hourly employees earn an average of approximately \$36.00 per hour.

12 RESPONSIBLE CONSUMPTION





We continued to recycle waste streams, and through a mass balance approach, offer 100% post-industrial recycle content products that can help our customers meet their circularity goals.

13 CLIMATE ACTION



We started work to complete a life cycle assessment for our products to better understand our performance vs. industry benchmarks and our products' GHG footprints.



We continued our commitment to Operation Clean Sweep®, the campaign designed to achieve zero pellet, flake and powder loss from operations, with an action to keep these materials out of the marine environment.

In partnership with the American Chemistry Council, we completed a Water Body Risk Assessment to examine water quantity, quality and physical risks and opportunities from our operations.



We sponsored several studies that demonstrated how ammonium sulfate applications can support significant yield increases, efficient use of arable land, healthy crops and increased food production by farmers.

17 PARTNERSHIPS FOR THE GOALS



We joined Together for Sustainability (TfS), a global, procurement-driven initiative that provides the de facto global standard for environmental, social and governance performance of chemical supply chains based on the UN Global Compact and Responsible Care® guiding principles.

We joined as a founding member of the American Chemistry Council's Sustainability Strategy Committee and continued to participate in the Fertilizer Institute's Sustainability Committee.

### **Ethics and Compliance**

### Governance Framework Supporting Integrity

AdvanSix maintains a transparent culture of integrity and compliance, HSE performance and operational excellence through the governance oversight of its Ethics, Compliance and Integrity Program. AdvanSix has developed robust and



fit-for-purpose manuals, procedures, standards, matrices, checklists and overarching policies as a cornerstone of our sustainability strategy and ESG practices.

Our Legal Department is responsible for the legal compliance and management of all legal and regulatory risks. In addition to our training programs, our Legal Department supports functional areas with training on legal issues that support risk mitigation, compliance, transparent reporting with regulators, and continuous operations.

Our <u>nine-person Board of Directors</u> is responsible for overseeing the activities of AdvanSix. The Board acts as the ultimate decision-making body and selects the CEO, appoints the executive officers, and oversees senior management who are charged with conducting the business of the company.

The Board reviews and oversees implementation of our strategic and annual operating plans and corporate policies. There are four standing <a href="Board">Board</a>
<a href="Committees">Committees</a>: the Audit Committee, Compensation and Leadership Development Committee (C&LD), Nominating and Governance Committee (Nom & Gov), and the Health, Safety, Environmental and Sustainability (HSE&S) Committee. Each of these committees plays a critical role in the governance and oversight of our Environmental, Social and Governance initiatives.

Our values, principles, standards, and norms of behavior are primarily governed by our <u>Code of Business Conduct</u> which applies to all AdvanSix directors, officers and employees, as well as business partners and suppliers. The Code of Business Conduct serves as a set of baseline requirements that enables employees to recognize and report compliance, integrity and legal issues, including through the anonymous ACCESS Integrity and Compliance Helpline.

The Code outlines our organization's pledge to operate in a safe, ethical and compliant manner, to promote a positive workplace, to show respect for colleagues and partners, to promote development through training and to value diversity of perspectives and ideas. It provides guidance and outlines expectations in a number of key integrity and compliance areas, including the prohibition of sexual or other forms of harassment, avoiding conflicts of interest, our commitment to health, safety and environmental matters,

maintaining accurate books and records, anti-corruption and proper business practices, trade compliance, insider trading, data privacy, respect for human rights and the appropriate use of information technology and social media. All AdvanSix employees are required to complete Code of Business Conduct training and certify their compliance with the Code. In addition, directors and executive officers annually certify their acknowledgment of the Code of Business Conduct and that they will act in accordance with it.

We have a number of specific policies and programs as part of our corporate governance; many are listed below. For more information, please refer to our <u>Governance Documents Webpage</u> and our <u>Global Citizenship Webpage</u>.

Please refer also to separate sections of this report outlining our governance related to ESG issues.

### This includes:

- ensuring that the Nominating and Governance Committee conducts a periodic assessment of ESG categories to confirm they are appropriately captured within the chartered responsibilities of applicable Committees
- a periodic assessment of ESG-related matters escalated by applicable Committees, from time to time, for full Board oversight
- a periodic evaluation of applicable ESG-related enterprise risk management considerations. The graphic at the bottom shows the ESG responsibilities assigned to each Committee

### Board Committee Oversight of Environmental, Social and Governance Matters

	Environmental			Social				Governance									
Committee	HSE & Process Safety	Regulatory	Asset Reliability	Climate	Corp Social Resp. & Sustain.	ED&I	Human Capital Mgmt	Leadership Dev	Executive Succession Planning	Product Stewardship & Safety	Gov't Rel.	Cyber	Supply Chain	ERM	ESG Metrics	Business Conduct Incident Reviews	Board Composition
HSE&S																	
C&LD																	
Audit																	
Nom & Gov																	

### Key AdvanSix Policies

Board of Directors Code of Ethics Guidelines

Corporate Governance Guidelines

Compensation and Leadership Development Committee Charter

Health, Safety, Environmental and Sustainability Committee Charter

**Audit Committee Charter** 

Nominating and Governance Committee Charter

Insider Trading Policy

Code of Business Conduct

Supplier Code of Business Conduct

Policy Statement Against Slavery and Human Trafficking

**Human Rights Policy** 

Conflict Minerals Policy Statement

Anticorruption Policy

Political Contributions Policy

### **Ethics Training and Tracking**

### Policies, Education and Training

AdvanSix's Legal and Compliance Team oversees corporate policies and practices to improve education and training that support business practices consistent with responsible corporate citizenship.

### This includes:

- Robust and engaged training via AdvanSix Learning Management System with required assessment questions and certifications
- Covers 100% of employees and new hires
- Includes engaged training with assessments and certifications
- Annual Training/Code of Conduct Certification from 100% of Employees, including Board of Directors and Executive Officers
- Quarterly Certification for SEC filings from 100% of Financial Reporting Team, SEC Disclosure Committee and Executive Officers
- Supplier Code of Conduct reinforces principles and is mandated for 100% of suppliers through standard terms and conditions, and incorporated into all supply contracts
- Trainings include subject matter deep-dives into critical subject matters including:
- Foreign Corrupt Practices Policy Training
- Antitrust Compliance Policy Training
- Acceptable Use Policy Training
- Cybersecurity Training
- The Legal and Compliance Team oversees additional in-person training sessions, either led by in-house attorneys or through subject matter experts (including outside counsel), to provide opportunities for interactive learnings on best practices and current developments in all critical compliance areas including fiduciary oversight, antitrust, FCPA, insider trading, acceptable use, and cybersecurity.
- Trainings are required to be completed by deadlines which are enforced by the Legal and Compliance Team.
- Annual Certification of Compliance required with comprehensive tracking of assignments and completions managed by Human Resources team with oversight of the Legal and Compliance Team.

### **Business Conduct Incident Reporting**

AdvanSix encourages all employees, teammates and other stakeholders to speak up, ask for advice and voice concerns if there are suspected violations of our Code, deviations from legal or regulatory requirements or circumstances where the AdvanSix Values are not being upheld. To encourage speaking up, several channels and resources have been made available to facilitate an open dialogue and resolution with respect to suspected incidents or breaches of our Code. Stakeholders may bring their concerns to any of:

- For employees: their manager, supervisor, Human Resources representative, or local complaint or grievance process
- A member of the Legal and Compliance Team
- The ACCESS Integrity and Compliance Helpline (the "Helpline")

100% of our employees completed Code of Business Conduct training











Answered by an independent third-party provider that accommodates all of the languages that AdvanSix employees speak. It is publicized within the organization with posters and available on both our public website and company intranet.

Reports can be made using the helpline by dialing 844-680-3973

Issues may also be reported by mail, email or web to: AdvanSix Inc.,

Attn: ACCESS, 300 Kimball Drive, Suite 101, Parsippany, NJ 07054 <a href="mailto:access.integrity.helpline@advansix.com">access.integrity.helpline@advansix.com</a> <a href="mailto:www.advansix.ethicspoint.com">www.advansix.ethicspoint.com</a>

An independent, third-party service provider manages the Helpline and directs incident summaries to the Legal and Compliance Team, which conducts an initial assessment of the inquiry.

AdvanSix treats all reports confidentially to the extent possible, consistent with the law, Company policy and the Company's need to conduct a thorough investigation. Suspected violations may be reported by identifying yourself or by remaining anonymous.

All reports will be investigated promptly and thoroughly, consistent with applicable law and, upon the advice and approval of the Legal and Compliance Team, may be reported to the appropriate authorities. You may contact the AdvanSix Legal and Compliance Team with any questions.

AdvanSix believes that is critical that all of our employees, teammates and stakeholders feel comfortable raising questions and concerns. AdvanSix will not tolerate any form of retaliation for making a good faith report of actual or potential misconduct.

### **Business Conduct Incident Reporting**

### Incident Investigation Process

All incidents, whether reported directly to the Legal and Compliance Team, through managers, through HR representatives or through our Helpline, will be assessed and evaluated in order to determine the most effective and appropriate means of investigation required. Based on the facts and circumstances, the Legal and Compliance Team assigns a trained incident investigator to independently evaluate the circumstances surrounding the incident, always remaining mindful of potential conflicts of interest and independence. During the investigation process, anonymity is carefully preserved if requested by the incident reporter. Ultimately, the investigator makes a final determination as to whether the allegation was substantiated, partially substantiated or unsubstantiated. The Company's response to substantiated or partially substantiated matters is case-dependent and may include disciplinary action or other corrective actions.

During 2021, the Company investigated 17 submitted incidents, of which 4 (or 24%) were substantiated or partially substantiated resulting in disciplinary action or other corrective actions. The Company categorizes its incidents as follows:

Accounting, Auditing and Financial Reporting; Business Integrity; HR & Workplace Respect; HS&E and Misuse and Misappropriation of Corporate Assets. The majority of the incidents assessed (59%) were related to inquiries regarding HR & Workplace Respect.

### Tracking and Review of Business Conduct Incident Reporting

The AdvanSix Legal Department maintains a robust reporting and tracking system to ensure that all incidents are assessed and tracked to closure. Transparency of reporting and assessment of escalations will provide visibility into the organization in order to:

- Foster a culture of assurance and loyalty
- Build stronger relationships
- Strengthen trust
- Promote legal and regulatory compliance



- Detailed dashboard tracking of incidents, findings (substantiated and partially substantiated), corrective actions, and closure rates
- Assessment of closure rates to benchmark data provided by a third-party best-in-class provider to ensure numbers of incidents and closure rates are consistent with best practices
- Active engagement with outside counsel providing live training on incident investigations with best practice templates, guides and forums for Q&A
- Quarterly Reporting to Board Committees:
- Nominating & Governance Committee oversees incidents associated with Business Integrity; HR & Workplace Respect; HS&E and Misuse and Misappropriation of Corporate Assets
- Audit Committee oversees incidents associated with Accounting,
   Auditing and Financial Reporting
- Annual Reporting to full Board of Directors at the end of each year

### Political Contributions

The AdvanSix Political Contributions policy includes a prohibition on the use of corporate funds for political purposes. Consistent with this policy, AdvanSix did not make any direct donations to political campaigns during 2021.

Certain AdvanSix employees who meet the eligibility criteria consistent with policy and applicable regulations, contributed approximately \$119,000 to political candidates within the United States through the AdvanSix Inc. Political Action Committee.

AdvanSix has instituted a charitable match program where Political Action Committee contributions are matched dollar-for-dollar to a 501(c)(3) charity selected by the employee from an approved list.

### Anticorruption Policies

AdvanSix is committed to operating and conducting business with integrity, acting ethically and and ensuring compliance with all applicable laws and regulations. At AdvanSix, we maintain a firm position against bribery, fraud, corruption and conflicts of interest. This includes compliance with antitrust laws, the U.S. Foreign Corrupt Practices Act and anti-money laundering laws, and applies to our employees, consultants, agents and representatives.

Our policies provide, among other items:

- No Employee may directly, or indirectly through third parties, corruptly offer, pay, promise to pay or authorize payment of any money or anything of value to a customer or government official for the purpose of obtaining or retaining business or to secure an improper advantage.
- All Company agreements shall include covenants stating that failure to comply with relevant anti-corruption laws shall be considered a material breach of the agreement and shall be grounds for terminating the agreement.

Pursuant to AdvanSix policy, a sales intermediary may only be appointed if:

- There is a legitimate business purpose for the appointment
- It is qualified to carry out the purpose of the appointment, and
- The renumeration offered is reasonable for the market conditions in the territory where services are to be provided.

Sales Intermediaries are required to undergo a background review if such intermediary will receive a fee, retainer, commission or other review.

AdvanSix's anticorruption policies and practices are tailored to meet best practices and include:

- Annual Compliance Training Program includes training modules for compliance with the Code of Conduct (including conflict of interest, antibribery and anticorruption),
   Antitrust Policy, FCPA Policy and Insider Trading Policy
- Trainings are reinforced with in-person meetings involving the legal department and, at times, outside counsel, reviewing key developments with respect to anticorruption policies for various functional groups including our Strategy, Sales and Procurement Teams
- Training for teammates attending trade shows, customer events and procurement meetings

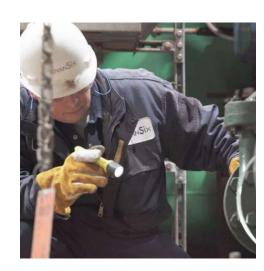
### Responsible Care

AdvanSix is a Responsible Care® company with a sharp focus on safety and advancing as a sustainable enterprise.

Responsible Care® is the environmental, health, safety and security performance initiative of the ACC. Our activities measured and reported through this program are an essential component of maintaining our strong ESG foundation.

AdvanSix is committed to the <u>Responsible Care®</u> <u>Guiding Principles</u> and pledges to continuously improve:

- Environmental, health, safety and security performance for our facilities beyond government requirements
- Processes and products through ethical leadership
- Product safety
- A culture which reduces and manages process safety risk
- Reduction of pollution and waste









### **OUR SAFETY CULTURE**

Safety is one of our core values and we strive to Live Safety in all we do. Living Safety means caring about the safety of our coworkers and our communities as much as our own, and recognizing every individual's role in keeping everyone around them safe.



A strong safety culture is necessary to sustain our robust safety programs, including our HSE and Process Safety Management (PSM) systems. Ongoing reinforcement of our zero-incident mindset is essential for progress toward our goal of zero injuries for employees or contractors.

Safety performance at AdvanSix is more than just numbers on a report or a list of rules. It is driven by real actions by real people every day. At AdvanSix, we all make the choice to Live Safety to drive results and support our goals and systems.



At the end of 2021, the strong safety culture at the Frankford site drove the team's achievement of more than sixteen months without a recordable injury.



2021 ACC Responsible Care® Facility Safety Awards

- Certificate of Excellence Frankford
- Certificate of Honor Hopewell

### HSE Auditing and Lead Auditor Certification Training

The HSE Team undertook an enterprise-wide initiative to provide internal and lead auditor training for AdvanSix employees to ensure adequate resources for RC 14001 and ISO 9001 internal audit requirements, and OSHA Process Safety Management/EPA Risk Management Plan (PSM/RMP) Level 2 audits. Our team conducted 9 classes over 5 months and trained 27 auditors including 18 newly trained lead auditors. Audit schedules developed for 2022-23 were designed to provide in-field training, to certify those trained as lead auditors and to provide experience to internal auditors.

In addition to receiving third party training for best practices, our initiative includes a focus of hands-on experience and field training.

The third party best-in-class auditors supported trainings of teammates from HSE, engineering, technical, laboratories and other functions within AdvanSix.

Trained auditors support our proactive and engaged approach to our management systems. This reduced the need for external auditors to conduct required internal audits of our ISO, PSM and Responsible Care management systems, and supports successful outcomes for external audits.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

It is critical to develop management systems that create objective measurements of our quality, HSE and PSM programs and ensure comprehensive auditing. These will ultimately help support safe, stable and sustainable operations enterprise-wide.

Providing cross functional training for ISO, Responsible Care and Process Safety management helps expand understanding and work towards our goal of an integrated management system. Supporting this goal, we plan to significantly increase our Responsible Care trained internal auditors including lead auditors, PSM lead auditors and ISO lead auditors.

## PSM/RMP Level 2 RC 14001 ISO 9001

2021 Lead Auditor Training

### **HSE Values**

AdvanSix is focused on protecting our people and the environment, achieving sustainable growth, continuously improving our operations, engaging and collaborating with stakeholders, and driving compliance with all applicable regulations. We use a comprehensive management system, based on the ACC Responsible Care® Guiding Principles and industry best practices, that includes Health, Safety, and Environmental (HSE), PSM, product stewardship, and sustainability.



Building on our core corporate values of Safety, Integrity, Accountability and Respect, our <u>HSE Values</u> are integrated into our business strategy and we use our management system to set goals, measure our ongoing performance and drive continuous improvement to achieve our business objectives. Our team of subject matter experts ensures timely development and implementation of process improvements and corrective action plans. This group of professionals has extensive knowledge and collective experience in safety, environmental and occupational health, chemistry, engineering, industrial hygiene, materials management, process safety and energy efficiency.

As an ACC member company, we are deeply committed to the health and safety of all team members and the communities in which we operate. At the same time, we are focused on ensuring the safety of our products and processes. This commitment is reflected throughout our corporate governance (please refer to Governance for more information) and in our HSE Values, which were updated in 2020 to incorporate security and sustainability and shared with all employees. Our HSE management system is rooted in these values to ensure we achieve our strategic priorities and business objectives.

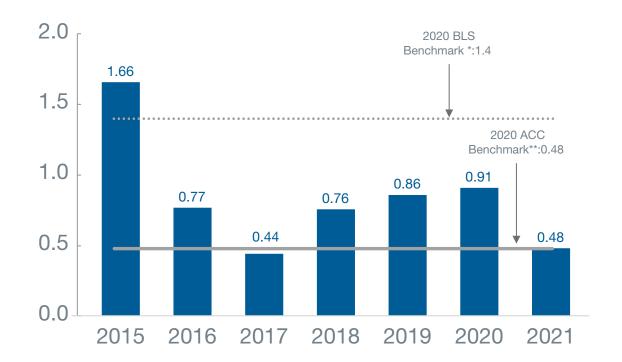
Under the HSE management system, AdvanSix has procedures in place with defined responsibilities and direct references to the ACC Responsible Care® 14001 Technical Specification. Identification and prioritization of HSE issues, risks and opportunities are integrated into the annual operating plan and updated often to respond to significant changes. The HSE management system covers all our employees, contractors and visitors, and is the direct responsibility of the AdvanSix HSE Management representative. In addition, our <u>Supplier Code of Business Conduct</u> is essential to communicating our expectations on health and safety to our suppliers and mandating compliance through our contractual arrangements. Oversight for HSE is provided by the <u>HSE&S Committee</u> of the Board of Directors.

A key component of the HSE management system is the use of an HSE Aspects Register to guide objectives and planning actions for continual improvement of our HSE performance. The Register prioritizes HSE aspects based on risks — that is, the severity and likelihood of potential incidents.

Our approach, including inspections, audits and training hours, drives the management of risks.

We operate every day with a zero-incident mindset, believing that all incidents and injuries are preventable. Our expectation is zero injuries for employees and contractors. We use the industry-standard Total Case Incident Rate (TCIR) to measure our ongoing safety performance and compare with benchmarks. TCIR is defined as the number of occupational injuries and illnesses per 100 employees per year.

### Total Case Incident Rate (TCIR) 71% IMPROVEMENT SINCE 2015



- \* U.S. Bureau of Labor Statistics TCIR benchmark for Plastics Material and Resin Manufacturing industry
- \*\* American Chemistry Council benchmark for medium size companies
- \*\*\* AdvanSix has had zero fatalities.

As shown on the chart, our TCIR in 2021 was 0.48. While this outperforms the industry-wide Bureau of Labor Statistics (BLS) benchmark and represents an overall 71% improvement since 2015, we are not satisfied with this performance.

The most recently available ACC report summarizes 2020 performance. While ACC's TCIR benchmark in 2020 was 0.48 for medium-sized companies, the top quartile performance for TCIR for medium-sized companies during the year was 0.21. As a milestone toward achieving zero incidents at its facilities, AdvanSix has set a target to be in the top-quartile of ACC safety performance for comparably sized companies.

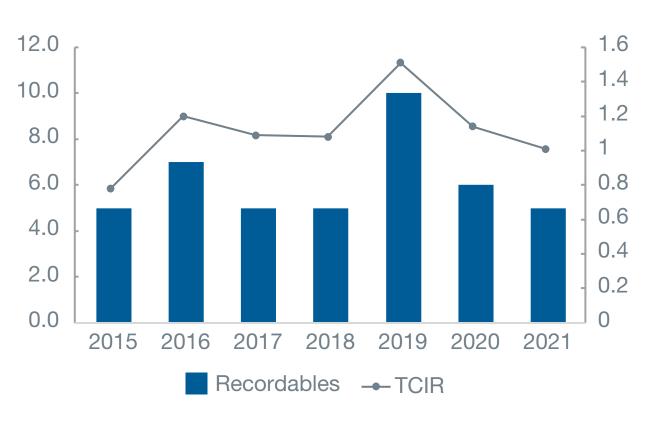
When injuries do occur, we rigorously and self-critically investigate to identify root causes, take corrective actions, and drive the learnings across our employee population using our Learning Management System (refer to Training for more information) and other methods. Investigations are conducted by cross-functional teams, including employees at the facility

where the incident took place, to ensure broad understanding and to spur improvements to our hazard identification, risk assessment, and incident investigation processes as governed by our HSE management system.

Our teams are working hard to bring those lessons to life with an emphasis on reporting all near misses and putting corrective actions in place.

We also work closely with our many contractor partners to Live Safety and we treat their safety as seriously as we do our own, providing comprehensive training, escalation pathways and opportunities to improve safety performance on site. In 2021, there was a 16% year-over-year reduction in contractor injuries across our sites.

### Contractor HSE Trend 16% IMPROVEMENT SINCE 2020



We established CARE – Courage to Act, Respond and Engage — as the next building block in our safety journey and our roadmap to ACC top-quartile performance. Our efforts in 2021 focused on improving response and feedback processes for our safety improvement ideas to encourage engagement and ownership. Each of our sites has a CARE Engagement Team, comprised of employees from all departments and all levels of the organization. The teams solicit feedback on improvements and actions – ranging from simple fixes like improving area lighting and painting walkways to more complex projects like installing mechanical assistance on manways to improve ergonomics. More emphasis on safety observations fuels these efforts, creating opportunities for everyone at all our sites to Live Safety.

### Process Safety Management

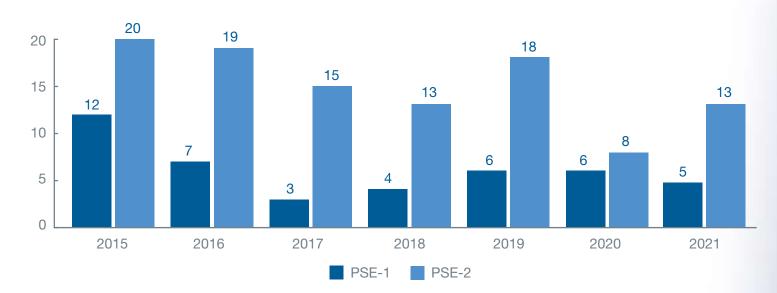
Process Safety Management (PSM) is integral to our governance at AdvanSix and key to the health and safety of our workers and the communities in which we operate. Worldclass PSM is essential to achieving safe, stable and sustainable operations, and we have an established PSM team with a structured approach to global process hazards analysis, auditing and incident investigation.

As outlined in the ACC Responsible Care® Guiding Principles, we work to "instill a culture throughout all levels of the organization to continually identify, reduce and manage process safety risks." World-class PSM is a continuous process and a global effort within our operations, and our PSM program drives understanding and mitigation of hazards, management of change and maintenance of safety critical systems, including emergency response planning.

AdvanSix tracks Process Safety Events (PSEs) which are losses of primary containment with levels based on severity as defined by the American Petroleum Institute (API) Recommended Practice (RP) 754: Process Safety Performance Indicators for the Refining and Petrochemical Industries.

Our PSE reporting reflects a reduction in severity of events, as well as increased awareness and associated reporting of lower-level events. In the event of an incident, our PSM team investigates the root cause. We also complete near-miss reporting, emergency response management and table-top exercises of PSM-type events. We seek to implement enhancements to our processes and aim for yearover-year improvement, which we achieved as indicated in the chart below. As our approach continues to mature, and we continue to focus on a zero incident mindset, we look forward to ongoing reduction in PSEs.

### Process Safety Events (PSEs) 58% REDUCTION FOR PSE-1 AND 35% REDUCTION FOR PSE-2 SINCE 2015



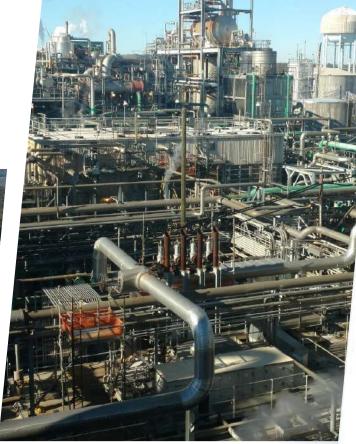
<sup>\*</sup>The API 754 standard defines PSE-1 (Tier 1) Events as "LOPC Events of Greater Consequence" and PSE-2 (Tier 2) Events as "LOPC Events of Lesser Consequence" where LOPC refers to "Loss of Primary Containment" \*\*PSE data tracking began in second quarter of 2014; annual data reporting commenced in 2015

### Environmental Stewardship

At AdvanSix, we work to reduce our impact on the environment throughout our operations and our value chain.

Our HSE management system, which is implemented through policies, practices and procedures, focuses on continuous improvement. Cross-functional teams, enabled by technology, ensure conformance with our management system, as well as compliance with all applicable government requirements and regulations. We are driven to move beyond compliance to minimize operational impacts on the environment, including addressing climate change, reducing criteria pollutant air emissions, managing wastes and protecting water resources.







### **Environmental Compliance**

We are committed to compliance with environmental laws and regulations, while often establishing standards and processes that are more stringent than regulatory requirements. We Live by Our Word and promote a culture of integrity where we do the right thing especially when no one is looking.

We are subject to various federal, state, local and foreign government requirements regarding protection of human health and the environment. Compliance with these laws and regulations is essential to our operations. We invest significant financial and human resources into ensuring ongoing environmental compliance and we continue to monitor emerging developments.

Our environmental compliance system is part of our HSE management system (please refer to Governance for more information), a key component of which is maintenance of an HSE Aspects Register. The HSE Aspects Register helps to guide our objectives and planning actions for continual HSE performance improvement, including environmental compliance.

We monitor and internally report as part of our management approach on regulatory compliance. As part of our overall Integrity and Compliance Program, we implement policies and procedures that will support 100% compliance, with the goal of no fines, penalties, or violations. Although all findings during 2021 were addressed and penalties have not been material to our results, we continue to identify and find new opportunities to enhance our compliance and training regime to ensure our employees have the skills, knowledge and tools to achieve our goal of environmental compliance with no fines, penalties or violations.



We were pleased to be named as one of 65 customers of CSX Corp. who won their 28th annual Chemical Safety Excellence Award for our contribution to the safe handling of hazardous chemicals in 2021. These awards are presented to customers who shipped at least 600 carloads of hazardous materials with CSX during the year without a release due to controllable factors.

### Product Stewardship & Safety

Our support for industry initiatives includes the Global Product Strategy (GPS) — an innovative program to improve product stewardship & safety within the chemical industry and with suppliers and customers throughout the chain of commerce. Our work here is part of our participation with the ACC and the International Council of Chemical Associations (ICCA).

The ultimate goal of GPS is to increase public and stakeholder awareness and confidence that chemicals in commerce are safely managed throughout their lifecycle. To further that goal we are committed to making public all relevant product safety information on chemicals in commerce.

We take responsibility through our <u>Product Stewardship & Safety Program</u> to control and minimize all possible safety risks and adverse effects on human or animal health and on the environment, which could be caused by our products throughout their lifecycles. Our Product Stewardship Management System is multi-faceted, forming the bedrock of our processes to ensure sustainable business practices. It encompasses product development, hazard communication, chemical regulatory compliance, and transportation of dangerous goods. At AdvanSix, we work to innovate safer and better compounds and materials with a focus both on safety and waste reduction by design and communicate with stakeholders about improvements in efficacy and efficiency in applications. We work directly with customers and perform formal audits to ensure proper storage, handling, use, and disposal of our materials.

### Quality & Product Performance

Maintaining quality and product performance is vital to being our customers' trusted partner. To that end, we implement continuous improvement practices with an emphasis on metrics and indicators that promote quality and enhance customer service. Notable accomplishments include:

- 100% of AdvanSix manufacturing locations are <u>RC14001:2015</u> and ISO9001:2015 certified, with scope set forth in certificates for <u>Chesterfield</u>, <u>Frankford</u> and <u>Hopewell</u>. These management systems include the implementation of a <u>Product Safety Management System</u> covering 100% of our sales consistent with Responsible Care<sup>®</sup> requirements and driving 100% product regulatory compliance
- Kosher certifications for acetone and nylon resin product lines at our Frankford and Chesterfield sites, respectively
- Established customer satisfaction and engagement teams to resolve customer complaints and reduce non-conformance in our products toward zero
- Customer audits and customer requested self-audits of manufacturing facilities

### Cybersecurity

AdvanSix is also committed to protecting the data and confidential information of its business, employees, customers and suppliers. As an organization, we face the risk of cybersecurity breaches and incidents from external threat actors, as well as risk from insiders to the security of our information and networks, any of which could harm our business or disrupt operations.

Cyber risk is closely monitored by our executive leadership with governance and oversight by the Audit Committee of the Board of Directors. A team, led by the General Counsel, the Chief Information Officer and Security Director, is responsible for the management, implementation and operation of the cybersecurity program, alongside qualified internal and external security and IT subject matter experts. We track the effectiveness of our program using cyber performance and risk metrics through daily surveillance with dashboard updates provided to the General Counsel and the Chief Information Officer supplemented by regular updates to the senior leadership team as well as the Audit Committee and the full Board of Directors.

AdvanSix's cybersecurity program is based on the National Institute of Standards and Technology (NIST) Cybersecurity Framework and consists of technical, administrative and operational controls working together as an integrated solution. We monitor the qualitative and quantitative performance of the program and other risk metrics. Key risks are identified, and appropriate mitigations are implemented through a combination of people, process, and technology solutions that are continuously evolving to address a dynamic and increasingly sophisticated threat environment.

We have developed and implemented a comprehensive set of cybersecurity policies and procedures to address the key cyber risks faced by AdvanSix. Our cybersecurity program is designed to protect information technology networks and assets using the latest technologies that leverage artificial intelligence, machine learning and automation. Our security architecture uses a "defense-in- depth approach", with controls implemented at user, email, endpoint, cloud, access, and network levels.

Training our employees is a critical element of our cybersecurity program. Our comprehensive security awareness and training program covers 100% of our employees on protective measures regarding information security, data privacy, cyber-attacks and recognizing phishing attempts. This program includes regular communication, interactive trainings, and simulated phishing assessments and is designed to reinforce risk awareness and address the latest and relevant risks. We have implemented robust controls and procedures to ensure trainings are completed in a timely manner and to track our cyber performance metrics.

Our environment is monitored continuously for security events by our security operations center, which detects, alerts, and responds to any potential security incidents on 24/7 basis.

AdvanSix has developed cyber incident response plans and procedures, including the formation of a designated cyber incident response team with representatives from across the organization. We conduct periodic scenario planning sessions and tabletop exercises to improve our response preparedness in the event of a security incident.

AdvanSix has implemented robust measures to protect its sites from both physical and cyber attacks, reinforcing security to remain compliant with applicable data security and other data privacy laws and regulations. Of course, emerging threats and opportunities to further mitigate cybersecurity risk are continuously explored and assessed. A vulnerability management solution continually assesses our environment to identify and remediate system and software vulnerabilities. A data governance policy and data loss prevention program have been implemented to protect our intellectual property and other sensitive data.

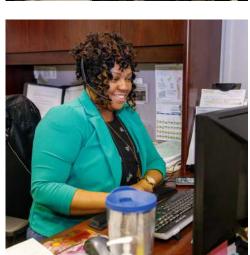
We also engage independent third parties to perform security assessments, which include penetration testing of our external and internal environment.

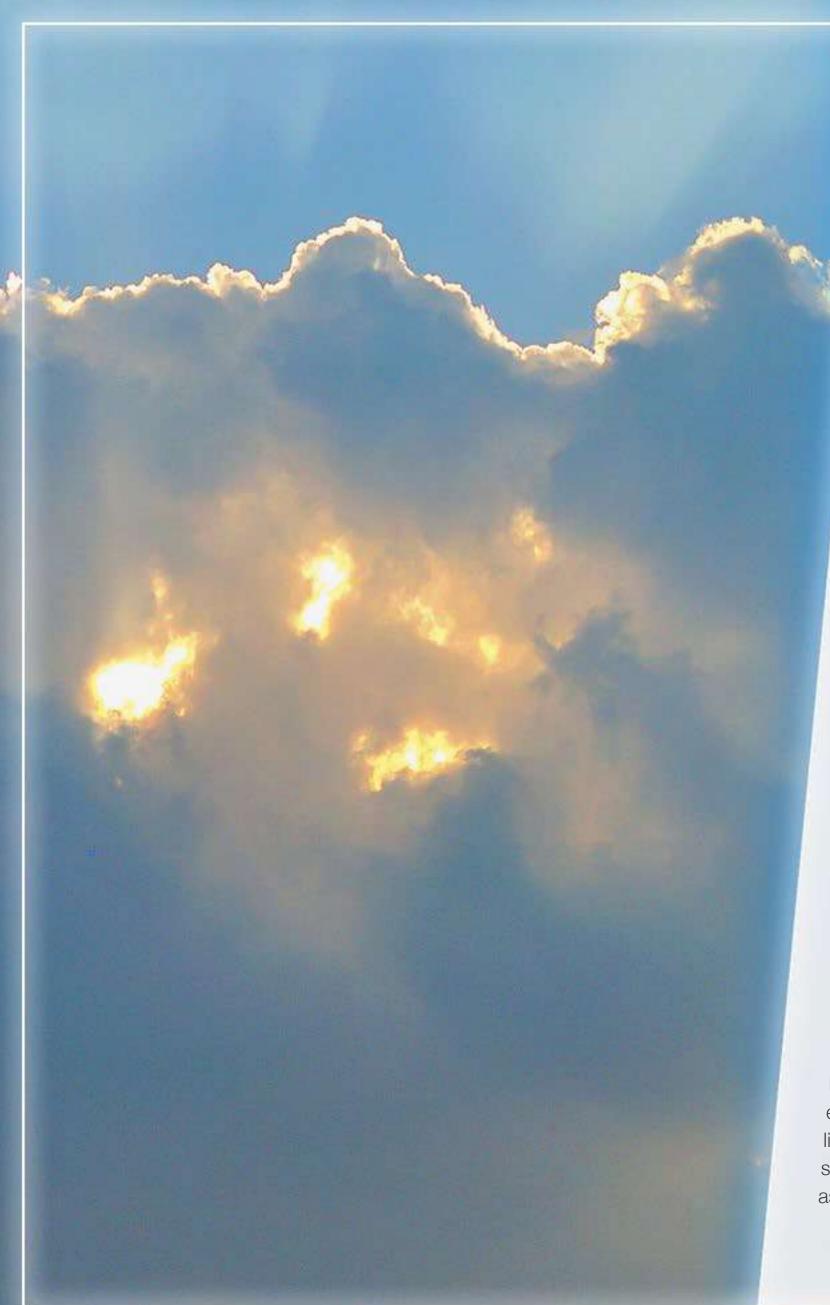
This approach supports the business, enhances production, and drives innovation while protecting our intellectual property, confidential information, privacy data, operations, and infrastructure.











### Climate

AdvanSix is committed to preparing for the impacts of climate change on our business and reducing greenhouse gas (GHG) emissions throughout our operations and product lifecycles.

The most recent Global Risks Report by the World Economic Forum identifies climate action failure and climate-linked issues, like extreme weather and biodiversity loss, as top risks in terms of both impact and likelihood.

Risks associated with the effects of climate change, such as severe weather events, rising sea levels and other impacts of GHG emissions, affect not only our business and operations, but also our stakeholders, including our employees, customers, suppliers, investors and communities. Accordingly, we have identified this as a topic material to our business.

AdvanSix is dependent upon environmental resources and susceptible to weather patterns and climate risk. Extreme weather conditions can interfere with our operating activities, disrupt our maritime logistics and inter-plant supply chain, increase our costs of operations or reduce the efficiency of our operations and potentially increase costs for insurance coverage in the aftermath of such conditions. Higher average global temperatures over the long term could result in changes in natural resources, growing seasons, precipitation patterns, weather patterns, species distributions, water availability, sea levels and biodiversity.

These issues could also impact and influence raw material supply chains used to maintain our production capacity and could lead to possible increased sourcing costs.

AdvanSix is committed to continuing to progress toward the framework recommended by the Taskforce for Climate-related Financial Disclosure (TCFD) to more effectively assess risk, allocate capital and strategically plan. AdvanSix intends to make continual progress with respect to each of the core elements of the TCFD's thematic areas of how businesses operate.

AdvanSix has implemented a governance framework including the establishment of cross-functional work streams to assess climate-related risks and opportunities through these core elements. This includes a Risk Management Assessment developed by key functional teams utilizing an economic risk matrix based on annual probability, economic consequence, likelihood and severity of event. The assessment evaluates existing safeguards, effectiveness of safeguards, risk ranking, potential safeguards, as well as scenario analysis.

The Risk Management Assessment is intended to be a part of, and aligned with, our:

- Enterprise Risk Management program, including enterprise-wide risk mapping for
- weather and climate
- carbon-free economy
- regulatory and legislative impacts
- Process Safety Management Programs including Process Hazard Analysis
- Annual Operating Plans and Strategic Planning Processes
- Sustainability Initiatives

AdvanSix Climate-Related Metrics include: Scope 1 and Scope 2 GHG Emissions; Criteria Pollutant Emissions; Energy Use; Electricity Consumption; Hazard Waste; and Water Consumption. In 2022, we intend to further support the development of the Risk Management Assessment in order to effectively mitigate the impact of climate change on our business and work to reduce greenhouse gas (GHG) emissions throughout our operations and product lifecycles.

### Governance Framework CLIMATE CHANGE RISK MANAGEMENT ASSESSMENT PROGRAM



Alignment to Enterprise Risk Management Program,
Process Safety Management And Strategic Planning Process



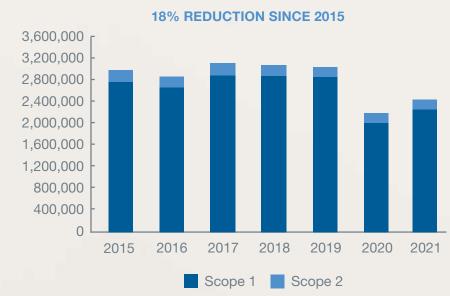
### Greenhouse Gases

Reducing GHG emissions is important to AdvanSix as part of our commitment to address climate change. Less thermal energy and electricity use also delivers the benefit of reducing cost. Our direct GHG emissions result from our manufacturing processes, and production of energy and steam (Scope 1). Our indirect GHG emissions result from purchasing electricity (Scope 2).

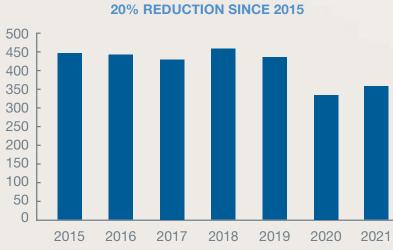
AdvanSix reports both GHG and Energy metrics on both absolute and intensity bases. Intensity removes the effect of production rate changes and more clearly highlights the effects of improvement efforts for these metrics. We calculate intensity as a GHG emitted or resource consumed with respect to annual production in physical units for third-party sales. This year we also updated our Scope 2 emissions to align with US EPA eGRID emission factors based on the regions in which we operate.

In 2021, AdvanSix reduced our enterprise wide total GHG emissions compared to 2015 performance. In addition, 2021 remains favorable for GHG Intensity, with a 20% reduction compared to 2015.

### AdvanSix Total GHG Emissions (CO<sub>2</sub>e MT)



### GHG Intensity (CO<sub>2</sub>e MT/MMlbs)



### Energy

Energy consumption remains a critical focus for AdvanSix, and we regularly monitor production, energy consumption and emissions with the goal of improving efficiency. We also continue to optimize our processes and make smart investments to reduce the energy intensity of our production. AdvanSix consumes many different fuels, both purchased and recovered, as well as electricity.

In 2020, the first full year of operation of the natural gas boilers at Hopewell resulted in significant reduction in energy use. Building on an overall trend of energy efficiency through optimization, the energy intensity (MMBTUs/MMlbs production) of the company improved by 19% since 2015 with a 2% reduction compared to 2020.

**18% REDUCTION SINCE 2015** 

**Energy Use (BBTU)** 

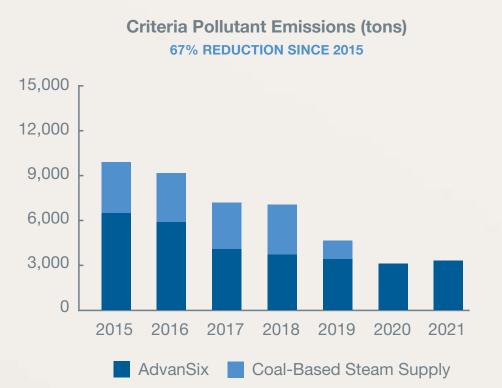


**Energy Intensity (MMBU/MMIbs)** 19% REDUCTION SINCE 2015

### Air Emissions

The Clean Air Act requires EPA to set National Ambient Air Quality Standards (NAAQS) for six common air pollutants (also known as "criteria air pollutants"), that can harm human and health, the environment and cause property damage. Criteria pollutants include, but are not limited to, nitrogen oxides (NOx), sulfur oxides, carbon monoxide, particulate matter that are ten micrometers or less in diameter, and ozone (for which volatile organic compounds and NOx are precursors). AdvanSix reports on its emissions of criteria air pollutants to state regulatory agencies.

AdvanSix has reduced its emission of total criteria pollutants by 67% since 2015, as we completed the conversion of our steam supply to natural-gas-fired boilers from coal. Additionally, we sustained significant reductions in NOx achieved in prior years because of the reliable operation of the Selective Catalytic Reduction (SCR) systems installed at our Hopewell facility. The SCRs use ammonia to convert NOx to nitrogen and water.





### Water

At AdvanSix, we recognize water as essential to life and a fundamental human right. Water is a finite resource and it is critical to our operations. Our objective is to conserve water and protect the many local and regional source and discharge watersheds near our operations. Our use and discharge of river water is regulated.

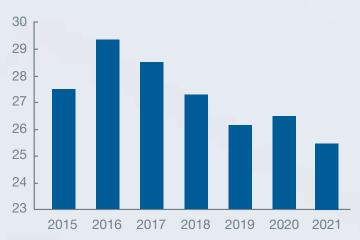
Our team closely monitors water usage in relation to our operations with the goal to minimize excess withdrawals and recycle water as part of our manufacturing processes. Each of our facilities consumes municipally supplied water, and our Hopewell and Chesterfield plants also utilize river water as one-pass, non-contact cooling water. In addition, Hopewell utilized a small portion of river water for contact cooling as part of normal operations.

Our goal is to have no net increase in water usage. Typically, fluctuations in water usage are related to varying production rates and ambient water and atmospheric conditions. We are continually looking for opportunities to reduce the quantity of water usage and improve the quality of our discharges. The majority of our process water is discharged to permitted wastewater treatment facilities prior to release. The majority of our surface water is returned into the same source as the withdrawal or to a nearby water body. 98.7% of our total water withdrawals are returned and routinely monitored, with the remainder being losses through atmospheric evaporation.

Total Water Withdrawls from Freshwater
Sources (megaliters)
6% DECREASE SINCE 2015



Total Water Intensity (megaliters/MMlbs)
7% DECREASE SINCE 2015



### Stewardship of the Water Sources Around Us

We have taken action to reduce nutrient discharges through production improvements in our Hopewell facility.

The Chesapeake Bay is the largest estuary in the United States and is designated as a National Wildlife Refuge and Wildlife Management Area. Ten major rivers enter the system, including the James River. Both our Virginia facilities — Hopewell and Chesterfield — are within the watershed of Chesapeake Bay.

AdvanSix prioritizes protection of the Bay and therefore has launched a 12-year improvement program for the Hopewell facility, including the acknowledgement of additional investment in the local municipal wastewater treatment facility serving both the industry and the community.

AdvanSix is furthering its commitment to improving water stewardship, by recognizing that water is more than volume and quality, there are also the health or physical risks of the source and discharge watersheds.

Expanding our knowledge of the physical stressors (for example interannual and seasonal variability) of our source watersheds will enable smarter data-driven decisions about water usage and its impacts on the larger community. AdvanSix will continue to evaluate these additional parameters in 2022 and utilize the wider data set to inform future water consumption goals.

Through AdvanSix's membership in <a href="The-Fertilizer">The Fertilizer</a>
<a href="Institute">Institute</a>, we are partners in the <a href="4R program">4R program</a>,
<a href="which supports farmers">which supports farmers</a>' implementation of best management practices to optimize fertilizer use.

The use of the

Right fertilizer source at the Right rate, at the Right time and in the Right place

helps farmers achieve their goals of increased production, profitability, enhanced environmental protections and improved sustainability, by matching nutrient supply with crop requirements and minimizing nutrient losses from fields.

### **GOLD AWARD**

for Industrial Pre-Treatment Compliance from Chesterfield County Department of Utilities Waste Pretreatment for

100% Compliance with all pretreatment requirements with no warnings or violations during the year.









### Evaluation of Local Watersheds

AdvanSix has long valued the critical natural resource which is water. To ensure alignment with our values, the company has taken steps to further our drive for resiliency around this resource. AdvanSix completed a Water Body Risk Assessment to evaluate the impacts from our operations and climate change to water supply bodies and receiving watersheds. The evaluation has highlighted risks both internally that the business can act upon in addition to external or regional risks that can only be addressed in partnership with the community and other valued stakeholders. This process has helped to develop targets and goals surrounding water both internally to the business and 14 LIFE BELOW WATER also opportunities for our community.





### HELP ELIMINATE PLASTIC WASTE IN THE ENVIRONMENT

AdvanSix was proud to join Operation Clean Sweep®, adding our name to hundreds of other companies, in a commitment to managing plastic waste.

Operation Clean Sweep (OCS) is the stewardship campaign organized by the Plastics Industry Association and the American Chemistry Council's Plastics Division to achieve zero pellet, flake and powder loss from operations, with an action to keep these materials out of the marine environment. Our work with OCS is centered at our Chesterfield plant, where our Nylon 6 resins are produced.

Prompted by the program's goals and objectives, our team seeks ways to keep resin pellets and other material off the floor and out of the environment. In 2021, we continued to improve our program by enhancing the site's 5S program, purchasing new equipment to maintain clean work areas, and on prompt reporting and cleanup of pellet spills, with no chip releases being added to the criteria to achieve an HSE Perfect Day. We regularly monitor and clean storm drains, now equipped with screens to catch loose pellets, and are using the data collected on the quantity and composition of the material collected in these screens to establish baseline estimates of pellet losses by area from which to drive improvements. Together with our logistics partners, we've started the process of installing improved fittings that are designed to minimize chip spillage on our fleet of bulk trailers.

All of our teammates at our Chesterfield facility have signed individual Operation Clean Sweep pledges as we work together on continuous improvement.

### Partnering With Our Suppliers to Recycle Packaging

Our Chesterfield facility has implemented a recycling initiative that reduces waste and supports re-use of packing materials.

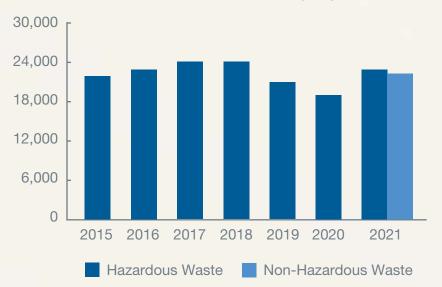
Cardboard boxes and wood pallets used at the facility are now shipped back to the original supplier so they may be recycled.

Our supplier reuses the ones that are in good condition and then breaks down the lower quality ones for other uses (mulch or repurposing). As a result, we have recycled over 200 tons of cardboard at our Chesterfield Facility. Our Hopewell facility operates a similar pallet recovery program.

These actions reduce landfill waste and continue to support our environmentally focused mindset in all that we do.



### **Total Waste Generated (MT)**



### Waste

We minimize waste by reducing, reusing, and recycling at operating facilities and in our corporate offices. This includes non-hazardous materials, such as metals, woods, plastics, paper, glass, and cardboard. Waste management is part of our overall environmental stewardship and awareness. We aim for less hazardous waste through operational controls, process improvements, and capital investments in our plants, while maintaining compliance with applicable laws and regulations. For example, we recycle a large amount of cumene in our process in Frankford—the unreacted cumene is purified and reintroduced to the process, which helps reduce our hazardous waste output.

Overall, we generated 22,658 MT of hazardous waste in 2021, of which 97% is hazardous waste generated by our operations as phenolic residue from our Frankford facility. We use the phenolic residue directly on-site as a fuel source for our operations. The remainder of our hazardous waste is treated at offsite facilities.

To ensure that our hazardous waste is responsibly handled, we are members of CHWMEG, a non-profit trade association comprised of manufacturing, and similar industrial organizations, educational/research institutions, and individual government installations concerned about risks associated with the wastes and spent materials that are related to their companies' manufacturing and business processes. We leverage the Facility Review Process that <a href="CHWMEG">CHWMEG</a> operates to better understand risks at the facilities that handle our wastes.

For 2021 we introduced metrics related to non-hazardous waste tracking in order to better evaluate our waste footprint. Overall, in 2021 we generated 22,183 metric tons of non-hazardous waste, and approximately 71% is landfilled. In addition, our facilities recycle pallets, scrap metal, and participate in mixed office recycling programs.

### **OUR PEOPLE**

### Our people are our greatest asset and the foundation of our success.

We rely on our diverse, connected network of colleagues across our highly integrated chemical production facilities to operate our business and serve our customers. Just as each plant depends on the output from the others, we depend on each other's contributions to drive company performance in a dynamic environment. We work together to create a sense of community among our employees and in the regions where we work and live. We feel a deep sense of responsibility to operate in a safe, stable and sustainable manner and show our appreciation by giving back to each other and our neighbors.

Our Purpose guides our approach to caring, innovating and advancing together in order to engage one another, drive continuous improvement and achieve exceptional results for our customers, shareholders and communities

In 2020, we shared AdvanSix Together, a guide to what it means to work at AdvanSix, with all employees. This collection of ideas summarizes who we are as a company, our values, how we live our values and how we envision achieving sustained success. It binds us as a team and provides direction and certitude about our actions.

AdvanSix Together directs us to live our values every day. We highlight those values in company-wide Town Hall meetings, daily tier meetings, plant newsletters, our training and development programs, and most importantly, in everyday conversations among employees. Information, including learning material, best practices and stories about company activities and employee successes, is made available on the AdvanSix Intranet.

In 2021, we hired 175 new employees, with a focus on recruiting, interviewing and onboarding them using technology and while continuing to follow all safety guidelines demanded by the pandemic. AdvanSix recognizes and rewards individuals' talents by providing competitive compensation and benefit packages, including annual bonuses and long-term incentives for certain employees. In addition to our salaried employees, about half our workforce is comprised of employees who are covered under four different collective bargaining agreements. In 2021, our hourly paid employees earned an average of approximately \$36.00 per hour.

In February 2021, the Compensation & Leadership Development Committee of the Board of Directors once again determined to include Leadership Team Strategic Objectives as part of our incentive compensation program, including goals related to business strategies, operational excellence, HSE performance, risk mitigation and improvements and development of the ESG and sustainability strategy including enhanced reporting and improved corporate social responsibility ratings.



### We are on a journey.

ADVANSIX

Our purpose is to be our customers' trusted partner for Advantaged Chemistries by caring, innovating and advancing together. To achieve that togetherness, we strive to represent the communities in which we operate, celebrate our differences, inspire belonging, and are tenacious in our pursuit of bringing out the best in people both individually and collectively.

### Equity, Diversity and Inclusion

We believe that an inclusive work environment is critical to foster respect and belonging for all our coworkers, customers, suppliers and business partners. We value the diversity reflected in the various backgrounds, experiences, and ideas of our employees, contractors, and other stakeholders. Our Code of Business Conduct outlines our commitment to providing employees a workplace that is free from discrimination or harassment (specifically related to gender, race, disability, ethnicity, nationality, religion and sexual orientation) or personal behavior not conducive to a productive work climate. AdvanSix is also committed to pay equity for its employees and regularly performs reviews of its compensation practices to evaluate and maintain pay equity in several respects, including by gender, ethnicity and race. For more information on our corporate governance and associated policies, please refer to Governance.

We strive for a workplace that reflects the diversity of the communities in which we operate. We believe each employee should feel included and valued as part our organizational culture, and that it is important that each employee sees representation across our AdvanSix team. AdvanSix is committed to managing, monitoring and reporting on equity, diversity and inclusion for our employees to show progress toward our goal that the diversity of our more than 1,375 employees reflects the communities in which we operate. We continued unconscious bias education at leadership and managerial levels enterprise-wide to enhance our recruitment efforts and the evaluation process of candidates, implemented a policy of creating diverse slates of candidates for nearly all roles, and conducted Days of Understanding at our largest manufacturing facility throughout the month of June 2021 to encourage active engagement by leadership with all employees to listen to their experiences and gather feedback for improvement. In 2021, over 40 percent of our new hires were diverse.

We also joined the first cohort of Dr. Steven L. Robbins' Inclusion Academy. Dr. Robbins has been our partner in mindfulness, inclusion and unconscious bias education since 2019 and we are thrilled to partner with him as we actively engage our leaders in the journey of awareness, authenticity and accountability for an inclusive workplace.

We are proud that our senior leadership team has been comprised of more than 50% women since AdvanSix became an independent company in 2016. Our Chief Executive Officer, Chief Human Resources Officer, Chief Information Officer, Vice President, Nylon Solutions and Vice President, Business Development are women. Four of our nine-member Board of Directors are women and two are ethnically diverse.

We believe we have a responsibility to improve gender equity in the manufacturing industry, starting with supporting science, technology, engineering and math (STEM) education and work in related fields. AdvanSix teamed with the American Institute of Chemical Engineers (AIChE), the American Chemistry Council (ACC) and others to establish FOSSI (Future of STEM Scholars Initiative) to award life-changing scholarships to students who plan to attend an HBCU to study STEM-related fields. FOSSI is the chemical industry's collaborative equity, diversity and inclusion initiative aimed at creating pathways for more under- represented groups to enter and succeed in our industry. AdvanSix has been a founding partner with FOSSI and sponsored five scholarships in 2021 and has committed an additional five scholarships for 2022.

SWiM (Supporting Women in Manufacturing), an employee resource group, continued to grow with a focus on networking, learning and development and community engagement with an emphasis on STEM projects. AdvanSix is a member of Women in Manufacturing<sup>®</sup>, the only national trade association dedicated to supporting, promoting, empowering and inspiring women who have chosen a career in the manufacturing industry. Our team took a leadership role in Virginia, participating in the overall management of the local chapter including their Mentoring Program designed to help members gain knowledge and leadership skills to empower them to realize their full potential



"AdvanSix continues to demonstrate their commitment to ED&I by always starting with leadership first. The rewarding but often difficult – work of inclusion and diversity requires true ownership and accountability. They truly understand it takes real commitment and hard work and it must start at the top."

- Dr. Steven L. Robbins











### CONGRATULATIONS JORDAN! 2021 STEP AHEAD AWARDS



### 2021 Step Ahead Awards

STEP Ahead Awards honor the best-of-the-best female leaders in the manufacturing industry and give them tools to pay it forward and inspire, engage and mentor the next generation. Jordan Oligmueller, manufacturing leader based in Virginia, was selected as a 2021 national STEP Ahead Award honoree given by the Manufacturing Institute, the workforce partner to the National Association of Manufacturers.

AdvanSix continued our progression as part of the CEO Action for Diversity and Inclusion initiative, the largest CEO-driven business commitment to advance diversity and inclusion within the workplace. The effort centers around four main commitments: to have complex discussions about diversity and inclusion; implement and expand unconscious bias education; share best—and unsuccessful—diversity and inclusion practices; and create and share strategic inclusion and diversity plans with our board of directors.

Complex discussions about diversity and inclusion	<ul> <li>Conducted Days of Understanding at our largest manufacturing facility throughout the month of June 2021</li> <li>Joined inaugural cohort in Dr Steven L Robbins' Inclusion Academy</li> </ul>
Implement and expand upon unconscious bias education	Continued unconscious bias education at leadership and managerial levels enterprise-wide
Share best – and unsuccessful – D&I best practices	Joined D&I roundtable discussions with industry colleagues in AIChE, ACC and Manufacturers Alliance
Create and share I&D plans with our Board	<ul> <li>Shared diversity roadmap with the Board of Directors</li> <li>Provide Board with ED&amp;I update three times annually against the roadmap</li> </ul>

We were pleased that our CEO, Erin Kane, was named in December to the <u>2021</u> <u>Most Influential Women of the Mid-Market</u> by <u>CEO Connection</u>. Launched in 2015 as part of its commitment to promoting gender equality in the Mid-Market, the CEO Connection Most Influential Women of the Mid-Market list recognizes outstanding women in the U.S. based on their ability to influence change, innovation, and standards for excellence in mid-market companies.

### Supporting Women at Work and in the Community

International Women's Day is just one of many throughout the year that we choose to mark with service and events. In 2021, we came together across the company to give back and bring attention to an important organization that supports women.













### Health and Wellness

Health and wellness took on additional meaning over the last two years, as our employees, their families, our partners and the rest of the world learned how to live and work during a global pandemic.

AdvanSix was designated a life-sustaining and essential business and we are proud that several of our products contributed to items used to keep us all safe, including hand sanitizer, disinfectants and protective screens.

Beyond our response to the pandemic, there are a variety of other opportunities for our employees to maintain and improve their mental and physical health and well-being—at work and at home

- COVID-19 vaccine clinics were held at each of our sites and employees who
  were fully vaccinated received a monetary reward for their personal actions
  to ensure the safety of themselves and those around them
- Medical operations at our plants offer on-site physicals, flu vaccines, and other preventative medicine, in addition to emergency first aid as well as fit-towork and other evaluations
- An Employee Assistance Program available to employees and members of their households enables ready access to professional counselors
- Emergency Brigades enable quick response to any medical or other emergency at our sites
- Contributions to the Health Savings Accounts for eligible employees assist with medical costs
- Patient and healthcare advocacy support is available to employees to assist in finding in-network services, claims disputes, and treatment decision support
- Discount programs offered through our insurance carrier that include fitness, nutrition, and personal care deals, encouraging an active and healthy lifestyle



### Training

A highly trained and engaged workforce is essential to fulfill our AdvanSix Purpose.

Trusted partnerships are built by delivering best-in-class experiences that result in satisfied customers. We are an empowered, high-performing team, and we encourage each other to engage, participate and learn through experiences and relationships, as well as formal training.

Dynamic learning and being curious about our work and the world around us are part of our contemporary employee engagement strategy and one way we build our culture.

We promote development through training that broadens work-related skills and believe that the most effective model combines an "experience, exposure, and education" approach. Learning is a career-long endeavor and we place the greatest emphasis on experiential learning, supported by feedback, training, and self-reflection.

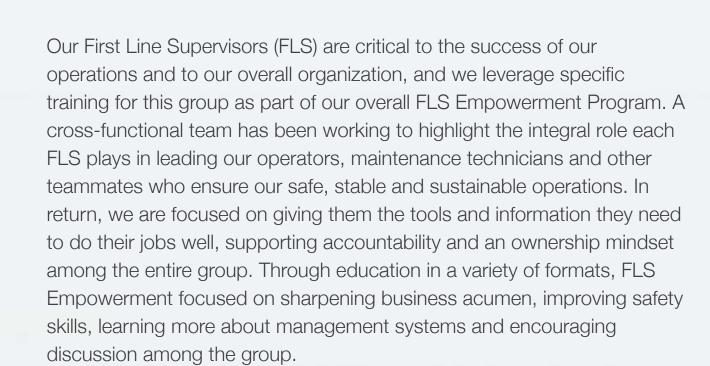
**Our Values** 

Training was one of many areas where we continued to demonstrate agility in 2021, adapting our learning to continue to accommodate safety protocols and restrictions necessitated by the pandemic, and providing an average of 20 hours of training per employee for a total of 28,000 hours.

Our online Learning Management System (LMS) offers more than 1,000 Training Modules that cover a wide variety of topics including regulatory and legal, corporate issues, jobspecific and career development, available for AdvanSix employees. We provide employees with access to training that educates them on how our operations impact corporate sustainability and ESG issues. More than half of all annual training hours are related to safety, including initial safety onboarding, recertifications and life critical procedures.

Safety and environmental training modules for new employees are required as part of HSE orientation, and job-specific training is aligned to roles as identified in our continually updated training matrix. Our LMS platform provides detailed compliance and status reports that are shared with managers to ensure adherence to required learning programs.

Specialized learning and development are also available. For example, more than 25 employees participated in Six Sigma Green Belt and Black Belt courses during the year, and a total of 14 employees achieved Green Belt certification and 2 employees achieved Black Belt certification in 2021. We also trained 8 iCoaches, who help lead the organization in applying the principles of Systematic Inventive Thinking to the various organizational challenges we face.



Learning at AdvanSix extends to individual development and personal career growth to ensure our workforce is best able to meet today's challenges and tomorrow's opportunities.

To support that, we implemented competencies – or sets of skills – related to what is required to be successful and fuel our collective performance throughout our talent development processes in 2021, including individual performance feedback and development planning.

Our competency framework includes:

- Core competencies for all employees to develop and apply
- Leadership competencies needed by all employees managing people
- Functional competencies that are position-specific and used to improve functional excellence and inform career progression

20 hours
of training per employee for a
total of 28,000 hours



### Reward and Recognition

One of the ways we live our values is to Enjoy Our Work & Have Fun. This is clearly demonstrated through our peer-to-peer and leadership recognition. Our daily tier meetings are used to recognize and communicate outstanding efforts throughout all levels in the organization, and every quarter significant team projects or individual activities are highlighted during our all-employee town halls. Those who volunteer on our Emergency Brigades are honored at an annual luncheon in recognition of their commitment to emergency preparedness, safety and helping others. This year, over 900 of our employees were recognized for their contributions to the organization as we continue to build upon a people-focused culture.

AdvanSix honors colleagues who have made significant contributions to their teams and helped us achieve our strategic priorities. The AdvanSix President's Award, first given in 2017, is our company's highest honor and recognizes people who exemplify what it means be a leader at AdvanSix. This year's recipients represent the best of AdvanSix and are outstanding performers from our Operations, Logistics and Nylon Solutions organizations. Their contributions ranged from leading our largest site to improved operational and HSE performance to innovation role modeling to exemplary customer focus.

distributed across our team in 2021

948 awards

Our First Line Supervisor (FLS) of the Year was introduced in 2019 to recognize an FLS who demonstrates excellence by being an empowered HSE leader, a decision-maker and the chief communicator on shift, while developing, coaching and mentoring their shift teammates. Each site nominates an FLS for this award, and a committee comprised of plant leadership and human resources chooses the AdvanSix FLS of the Year.

### FLS of the Year Award Winners



Rick Borton, Maintenance FLS in Hopewell, VA: Challenging the status quo is never easy, but Rick challenges his team on a daily basis to look at things differently. With this mindset, Rick led the team to plan and execute a critical equipment calibration that was typically outsourced to techs outside the company. This change in strategy saved the company a significant expense and laid the foundation for future efforts.



Joe Semon, Maintenance FLS in Frankford, PA: Known for his efforts in championing safety, Joe regularly coaches employees and partners on the importance of following proper protocols, like STOP procedures and fall protection. He regularly steps up to support efforts outside of his core responsibilities and his tireless work ethic has been recognized by many throughout the company.



Todd Fisher, Packout FLS in Chesterfield, VA: Training new employees is a commitment, but Todd took being accountable and doing things right to the next level, even while navigating COVID-19-related challenges. He ensured new material handlers were trained and set up for success keeping open lines of communication so operations could run smoothly. Shift-after shift, Todd's managed the pack-out schedule to best utilize the team and assets without impacting production.

### President's Award Winners



Georgia Sink, Logistics Leader,
Chesterfield, VA: A constant source of positive energy, Georgia has made a significant impact with improvements to the company's logistics processes, including the integration of new technologies. She led a team to streamline the order tracking process, ensuring it worked as one cohesive unit to support the customer, and ultimately, reduce errors related to order pickup. Georgia is also dedicated to the local community as an active board member of Rebuilding Together Richmond.



Bill Kerr, Sales Manager, Gaston, SC: As a leader who embodies what it means to be a trusted partner to our customers, Bill has driven considerable growth for the nylon business in the engineered plastics industry. His knowledge and enthusiasm for the products we make is an incredible asset when it comes to identifying opportunities in a segment with strong demand. His approach to building relationships with trust highlights the value of being customer-focused every day.



Andy Girvin, Plant Manager and Integrated Supply Chain Leader, Hopewell, VA: Living Safety is the mantra Andy has been championing, instilling a zero-incident mindset with every employee not only onsite at the Hopewell plant, but throughout the entire company. His tireless efforts resulted in a record year for Safety and a high utilization rate at the plant. Andy also led the company's first Days of Understanding in Hopewell, epitomizing how all employees should Care Together.



### **Engaging With Our Communities**

AdvanSix is committed to responsible, proactive citizenship — both in our local communities and in our industry. We feel a deep responsibility to the communities in which we operate to maintain safe, stable and sustainable operations and to Say Thank You and Give Back in many different ways.

### **BEING A GOOD NEIGHBOR**

Caring for the communities where we live and work is one of the ways we live our AdvanSix values. That is especially true for our manufacturing facilities, such as our Frankford plant where our operations are located within the Bridesburg neighborhood of Philadelphia.

A long-running Community Advisory Board, comprised of local leaders, meets with our Frankford plant leadership multiple times each year so our team can share what's happening at the site, provide safety updates and address any local community concerns. Open dialogue and transparency set the foundation for understanding and for keeping the neighborhood strong.

We also do our part to keep our neighborhood clean. Annual fence-line clean-ups have become tradition, with our teammates volunteering their time to pick up trash and tidying the sidewalks around our site.

Our support of the Bridesburg Boys and Girls Club brings us closer to the next generation and we take every opportunity to help them learn about STEM and manufacturing careers. Together through donating back-to-school supplies to volunteering as Board members to celebrating during the holidays, partnership with the Boys and Girls Club represents our pride and commitment to support the community.







### SAYING THANK YOU & GIVING BACK

We are proud of our strong, active involvement with a wide range of local and national organizations that advance our industry, support those in need, and protect our environment.



Below are some of the ways we continued expressing our appreciation by helping our local communities in 2021.

- Engaged with local economic development associations, including <u>Virginia's Gateway Region</u> Economic Development Organization
- Served on the Board of Directors for <u>Rebuilding Together®</u> Richmond, Virginia chapter, <u>Hopewell/Prince George (Virginia) Chamber of Commerce, Virginia Manufacturers Association</u> and <u>Boys and Girls Club of Philadelphia</u> (Bridesburg)
- Provided support to local organizations including funding two STEM scholarships through the <u>John Randolph Foundation</u>, a donation of new hoses to Hopewell Fire & Rescue, donations to the American Legion Legacy Scholarship Fund for their annual State Legacy Run and to the annual Breakthrough Trail 5K, contributions to the Hopewell Downtown Partnership and Hopewell Arts Festival though the Lamb Center for Arts and Healing, and a contribution of more than \$28,000 to American Red Cross for Hurricane Ida relief.
- Promoted STEM education by sponsoring five FOSSI scholarships and providing mentorship to scholarship recipients and partnering with the Hopewell School's Career & Technical Education program.
- Our Parsippany headquarters continued its participation in the annual Jersey Cares school supply drive, our Hopewell and Parsippany sites participated in the Salvation Army's Angel Tree program, our Frankford site held a toy drive for the Bridesburg Boys and Girls Club, and our Chesterfield team had successful toy drives for Christmas Mothers and Toys for Tots.
- Digital IV Digital IV
- AdvanSix employees volunteered their time
  to support two Rebuilding Together projects,
  helping a homeowner in New Jersey streamline and organize their home, and
  another in Virginia complete much-needed outdoor repairs and maintenance.
- Sponsored local environmental stewardship programs, including the <u>James River Association</u> in Richmond, Virginia
- Hosted and participated in community meetings and events, the Hopewell Chamber of Commerce and others
- Contributed funding and leadership to the municipal wastewater treatment publicprivate partnership, Hopewell Water Renewal
- Participated in local utility advocacy groups, such as Virginia Committee for Fair Utilities Rates and Virginia Industrial Gas Users Association



### SUSTAINABILITY THROUGH THE VALUE CHAIN

### Concerted Industry Action

We are proud to be a company engaged in the business of chemistry and appreciate our role as a provider of Advantaged Chemistries for our trusted partners. Our president and CEO is a member of the Board of Directors of the American Chemistry Council, and we participate in multiple committees, programs and initiatives, including Responsible Care® and sustainability. This supports our collaborative approach to understanding and contributing to sustainability topics across our industry — at global, national and local levels.

The <u>International Council of Chemical Associations</u> spearheads an innovative global program to improve product stewardship, which is key to AdvanSix.

At a national level, AdvanSix participates as a Board member and is a patron-level supporter of the <u>American Institute of Chemical Engineers</u>' (AIChE) Doing a World of Good initiative and a proud contributor of the FOSSI scholarship program. Doing a World of Good actively supports five high priority pillars within the chemical engineering field that align closely with sustainability and ESG principles.

AdvanSix is involved in many more national and local industry groups engaged in the business of chemistry. Some are listed below.

**Board Member** 

Board Member







Hopewell Manufacturers Association

Materials Technology Institute

National Association of Manufacturers

Northeast Chemical Association

The Manufacturing Institute

Society of Women Engineers

Women in Manufacturing

The Sulphur Institute

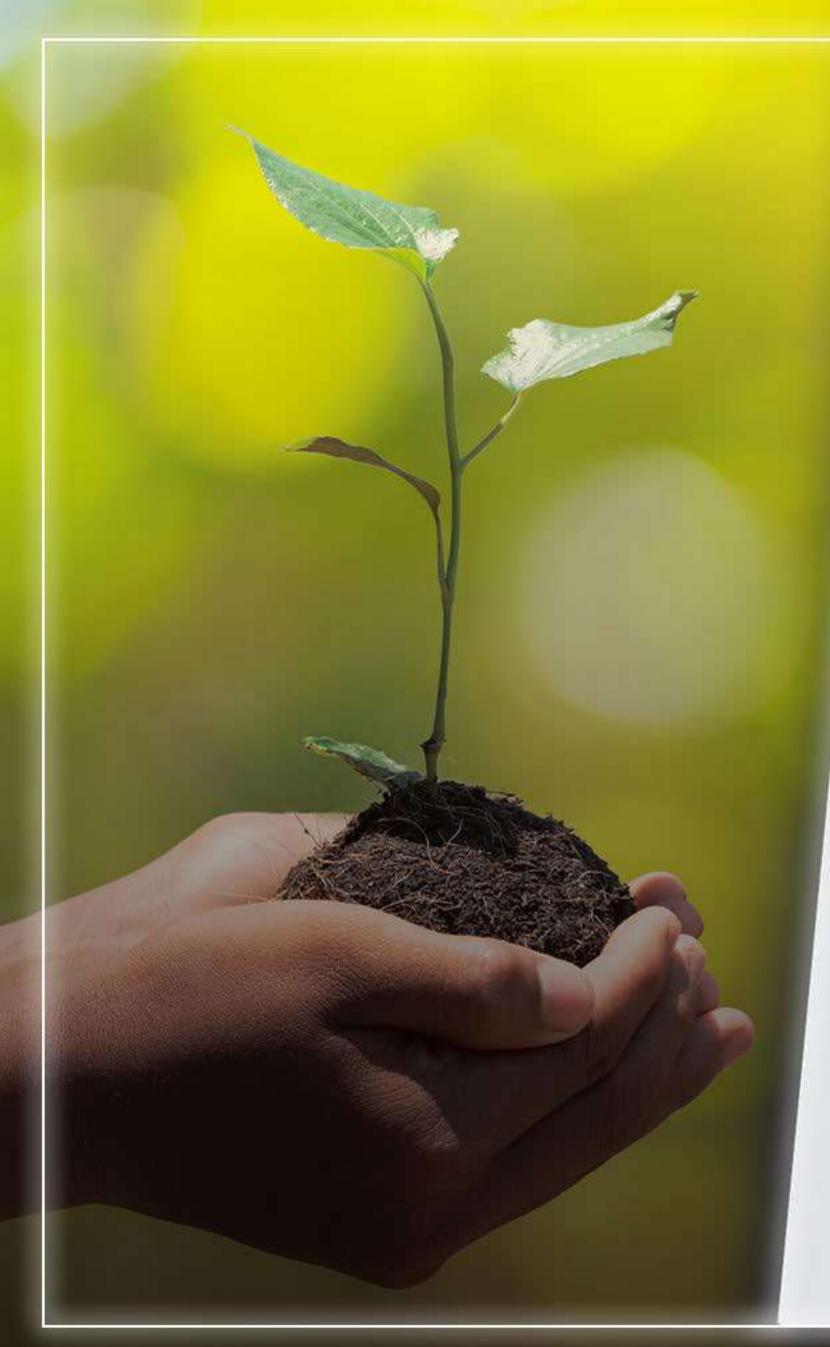
### Procurement

Maximizing output while minimizing operational impacts is key to our success. As part of our sustainability strategy efforts, we are developing a sustainable procurement roadmap for the next five years to include training the procurement organization, establishing key performance indicators to track supplier performance, and conducting annual reviews of supplier CSR assessments and policies. Currently, we use two metrics to evaluate our success in sustainable procurement. For each, we have a goal of 100%, which we achieved in 2021:

- 100% of our suppliers are subject to our <u>Supplier Code of Business Conduct</u> which outlines CSR responsibilities including sustainable procurement
- 100% of internal AdvanSix buyers received training on sustainability issues, Together for Sustainability principles and more to support their roles in ongoing sustainable procurement.

As part of our sustainability strategy efforts, we have developed a sustainable procurement program which includes a full-scale assessment of our procurement practices to align with our broader enterprise-wide sustainability strategy. This includes conducting Corporate Social Responsibility risk assessments of our suppliers, educating and training our procurement organization regarding sustainable procurement policies and practices, tracking our key performance indicators to monitor supplier performance, and conducting annual reviews of supplier CSR assessments and policies. Ultimately, we strive to support the development of sustainable supply chains through advocacy of transparent reporting, benchmarking supplier performance and supporting improvements, all of which collectively mitigates our risk profile and supports our goal of safe, stable and sustainable operations.

5	Sustainable Procurement Priorities
Supplier CSR Risk Assessments	Define criteria and rate top tier and critical suppliers regarding CSR metrics in order to assess risk
Sustainable Procurement Practices	Execute strategic roadmap for sustainable procurement policies and practices enterprise-wide
Training and Education	<ul> <li>Training procurement team regarding CSR assessments</li> <li>Proactively educate &amp; inform suppliers and business partners</li> <li>Collaboration among CPOs on best practices/emerging trends</li> </ul>
Reporting on Sustainable Procurement (KPIs)	KPIs to track supplier progress in meeting our CSR requirements
Advocate for Sustainability and Transparent Reporting	Benchmark supplier performance, identify sustainable improvement opportunities and advocate for transparent reporting with support of TfS Network



### Procurement (cont'd)

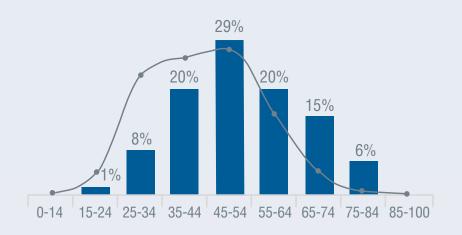
The CDP global disclosure framework, in its 2020 Global Supply Chain Report, found, based on nearly 8,000 disclosures, that supply chain emissions were on average 11.4 times higher than operational emissions. Together for Sustainability (TfS), a global, procurement-driven initiative, enables member companies and their suppliers to assess, drive and improve sustainability performance of chemical supply chains through a shared infrastructure of Assessments and Audits. The program is based on the UN Global Compact and Responsible Care® guiding principles. Operating as a unique member-driven organization, the TfS member companies shape the future of the chemical industry together.

TfS Assessments are carried out by its key partner EcoVadis, a global service provider specialized in sustainability performance assessments. For its Audits, TfS cooperates with a TfS-approved Audit company.

In 2021, the AdvanSix Procurement team implemented the use of EcoVadis Assessments in our supply chain with a focus on our critical suppliers to understand and reduce potential supply, reputational, and regulatory risk. EcoVadis creates a customized assessment based on the supplier's industry sector, countries of operations, and size. The assessment considers a range of sustainability issues, which are grouped into four themes: Environment, Labor & Human Rights, Ethics, and Sustainable Procurement.

Environment	Labor and Human Rights	Ethics	Sustainable Procurement
	Policies - Actions - Results		
Energy Consumption & GHGs Water Biodiversity Local & Accidental Pollution Materials, Chemicals & Waste Product Use Product End-of-life Customer Health & Safety Environmental Services & Advocacy	Employee Health & Safety Working Conditions Social Dialogue Career Management & Training Child Labor, Forced Labor & Human Trafficking Diversity, Discrimination & Harassment External Stakeholder Human Rights	Corruption Anticompetitive Practices Responsible Information Management	Supplier Environmental Practices Supplier Social Practices

### **EcoVadis Scores of Assessed Suppliers**



### 65% Portfolio

**Percentage of Suppliers Scoring Above 45** 



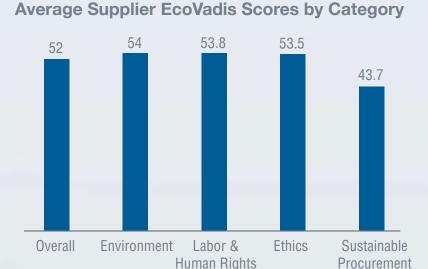
65% of AdvanSix's assessed supply base is currently meeting or exceeding minimum sustainability requirements.

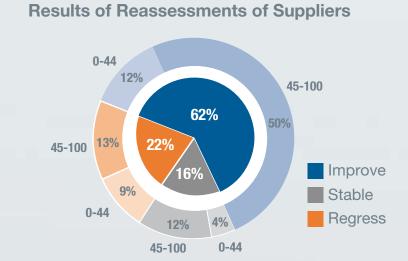
Assessed suppliers are provided a rating from 0 – 100 for each category.

As suppliers complete the assessment process, AdvanSix's Procurement team works hand-in-hand with them to review critical findings and improve performance through the use of a corrective action plan. Upon reassessment, 62% of AdvanSix's assessed suppliers received an improved EcoVadis rating.

With supplier consent, assessment results and corrective action plans are available to all TfS member companies through a shared online platform. Currently,

TfS members have access to a total of 11,167 assessments.





As a member of TfS, and using EcoVadis Assessments, AdvanSix is able to gain a clear, comprehensive and consistent view of our supply chain and its performance. Ensuring a sustainable supply chain is a critical success factor for remaining a trusted partner to our customers.

The TfS network supports and accelerate AdvanSix's sustainable procurement programs by providing access to comprehensive CSR assessments and audits, supporting the continued development of sustainable supply chain practices and enabling opportunities for best practices and knowledge-sharing within a network of companies committed to sustainability.



### Enabling Customers' Sustainability Journeys

AdvanSix is committed to reducing the environmental impact of its products, and a key part of our sustainability strategy is to use our Advantaged Chemistries and team up with customers to drive innovative solutions that help them achieve their sustainability goals.



Following nylon polymerization, AdvanSix recovers unreacted caprolactam that is diverted from the waste stream and recycled back into the nylon manufacturing process. Using a mass balance approach, AdvanSix is allocating the recycled material into Aegis® resins containing up to 100% PIR content and into high-PIR content Capran® BOPA films. These new PIR grades will allow customers to leverage the value of products offering higher recycled content and smaller environmental footprints.\*

PIR-grade products enable plastics and film manufacturers to meet the growing demand for environmentally friendly products made with recycled raw materials. Our careful manufacturing ensures the PIR grades have no loss of product performance food compliance issues, or processability and no other limiting factors, avoiding the typical tradeoffs often required when using recycled content.

We continually work to improve recycled content, including engaging with partners up and down the value chain to help our customers achieve their sustainability goals. Moving forward, we will continue to leverage this valuable PIR resin stream and to develop our sustainable portfolio including post-consumer (PCR) nylon options.

### \*These products divert unreacted caprolactam from the waste stream while increasing the recycled content that customers can use in their end-products.

### LIFE CYCLE ASSESSMENT

It is critical that we not only seek suppliers that are essential to our efforts to minimize our impacts, but also understand the impacts of our own operations and communicate these to our customers. AdvanSix has embarked on the journey to better quantify our environmental impacts, initiating a cradle-to-gate life cycle assessment of its full product portfolio. This effort will allow us to attribute these impacts to intermediates that are consumed onsite and chemicals sold to the market, giving our customers a more accurate view into the emissions footprint associated with the products they buy from us.

### CONTENT INDEX FOR ADVANSIX 2021 SUSTAINABILITY REPORT GRI, SASB, TCFD, UNGC

Standard Disclosure		Location / Direct Answer			
Organizational Profile					
	102-1 Name of the organization	AdvanSix Inc.			
	102-2 Activities, brands, products, and services	Our Company and Purpose			
	102-3 Location of headquarters	300 Kimball Drive, Suite 101, Parsippany, NJ			
	102-4 Location of operations	Our Company and Purpose; Integrated Production - AdvanSix (Corporate website)			
	102-5 Ownership and legal form	Our Company and Purpose; Company Overview – AdvanSix (Corporate website)			
	102-6 Markets served	Our Product Lines; Company Overview – AdvanSix (Corporate website)			
GRI 102: General	102-7 Scale of the organization	2021 Highlights; Operations; <u>2021 Financial Results</u> (Corporate website)			
Disclosures 2016	102-8 Information on employees and other workers	AdvanSix Together; 2021 Annual Report pg. 8 - 12			
	102-9 Supply chain	Vertically Integrated Value Chain; 2021 Annual Report pg. 2			
	102-10 Significant changes to the organization and its supply chain	2021 Highlights; 2021 Annual Report (Letter to Stockholders)			
	102-11 Precautionary Principle or approach	Strong Governance; Product Stewardship & Safety; Environmental Stewardship			
	102-12 External initiatives	Fostering Community Engagement; Operation Clean Sweep®: Help Eliminate Plastic Waste in the Environment; Stewardship of the Water Sources Around Us			
	102-13 Membership of associations	Concerted Industry Action			
Strategy					
GRI 102: General Disclosures 2016	102-14 Statement from senior decision- maker	Message from the CEO			
Ethics & Integrity					
GRI 102: General	102-16 Values, principles, standards, and norms of behavior	Strong Governance; Code of Business Conduct (Corporate website)			
Disclosures 2016	102-17 Mechanisms for advice and concerns about ethics	Ethics & Compliance; Code of Business Conduct (Corporate website)			
Governance					
	102-18 Governance structure	AdvanSix Sustainability Council; Governance Framework Supporting Integrity			
GRI 102: General Disclosures 2016	102-22 Composition of the highest governance body and its committees	<u>Committees – AdvanSix</u> (Corporate website); <u>2021 Annual Report</u> pg. 73			
	102-23 Chair of the highest governance body	<u>Committees – AdvanSix</u> (Corporate website); <u>Leadership - AdvanSix</u>			

Standard	Disclosure	Location / Direct Answer	
Stakeholder Engager	ment		
	102-40 List of Stakeholder groups	Our Stakeholders	
	102-41 Collective bargaining agreements	AdvanSix Together; 2021 Annual Report pg. 18, 59	
GRI 102: General	102-42 Identifying and selecting stakeholders	Our Stakeholders	
Disclosures 2016	102-43 Approach to stakeholder engagement	Our Sustainability Strategy	
	102-44 Key topics and concerns raised	Our Sustainability Strategy; Our Stakeholders; Stakeholder Engagement: Key Topics and concerns raised (see table on pg. 33)	
Reporting Practices			
	102-45 Entities included in the consolidated financial statements	2021 Annual Report pg. 1, 46	
	102-46 Defining report content and topic Boundaries	Our Sustainability Strategy; Our Priority Topics	
	102-47 List of material topics	Our Priority Topics	
	102-48 Restatements of information	Scope 2 GHG emissions were restated for prior years due to a change in emission factors; see GRI 305-2 for details.	
	102-49 Changes in reporting	There are no changes in reporting in AdvanSix's fifth sustainability report	
GRI 102: General	102-50 Reporting period	January 1, 2021, through December 31, 2021 (unless reported otherwise)	
Disclosures 2016	102-51 Date of most recent report	2020 Sustainability Report, published May 2021	
	102-52 Reporting cycle	Annual	
	102-53 Contact point for questions regarding the report	investorrelations@advansix.com	
	102-54 Claims of reporting in accordance with the GRI Standards	This report is in compliance with GRI Core	
	102-55 GRI content index	Content Index	
	102-56 External assurance	Third-Party Certification and Verification	
200 series (Economi	c topics)		
Economic Performan	ce		
	201-1 Direct economic value generated and distributed	Operations; AdvanSix Together	
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Climate	
300 series (Environm	nental topics)		
Materials (relates to I	material topic of Quality and Product Perform	ance)	
	103-1 Explanation of the material topic and its Boundary	Our Priority Topics; Vertically Integrated Value Chain	
GRI 103: Management	103-2 The management approach and its components	Strong Governance	
Approach 2016	103-3 Evaluation of the management approach	Strong Governance; Ethics and compliance	
GRI 301: Materials 2016	301-2 Recycled input materials used	Waste, Partnering with our suppliers to recycle packaging	

Standard	Disclosure	Location / Direct Answer	
Energy			
		Energy; Electricity	
		Total Energy Consumption (billion BTU's)	
	302-1 Energy consumption within	Total Energy Consumption (billion B10 s)	2021
	the organization	Total Energy	18,181
GRI 302: Energy 2016		Energy Intensity (billion BTU's per	<u> </u>
Lifelgy 2010		million pounds of production)	0.0026
	302-3 Energy intensity	Energy; Electricity	
	302-4 Reduction of energy consumption	Energy	
Water (relates to mat	erial topic of Water Stewardship in Local Con	nmunities)	
ODI 400	103-1 Explanation of the material topic and its Boundary	Our Priority Topics; Water	
GRI 103: Management Approach 2016	103-2 The management approach and its components	Strong Governance	
, ipprodon 2010	103-3 Evaluation of the management approach	Strong Governance; Ethics and compliance	
		Water Withdrawals (megaliters)	
			2021
	303-5 Water consumption	Total	175,286
		Surface Water	159,286
		Third Party Water	16,000
GRI 303:		Water Discharges (megaliters)	
Water & Effluents			2021
2018		Total	169,997
		Surface Water	159,286
		Third Party Water	10,711
		Water Consumption (megaliters)	
			2021
		Total	5,289
Emissions (relates to	material topic of Carbon Footprint and Emiss	sions)	
	103-1 Explanation of the material topic	Our Priority Topics; Water	
GRI 103:	and its Boundary	- Cur i nonty ropico, vvator	
Management Approach 2016	103-2 The management approach and its components	Strong Governance	
	103-3 Evaluation of the management approach	Strong Governance; Ethics and compliance	
		Greenhouse Gases	
		Total GHG Emissions (metric tons CO <sub>2</sub> e)	
			2021
		Scope 1	2,272,362
		Scope 2	172,347
GRI 305:		Total	2,444,709
Emissions 2016	305-1 Direct (Scope 1) GHG emissions	GHG Intensity (mT CO <sub>2</sub> e per million pounds of production)	0.000355
		We use emission factors from different source calculate our GHG impact. Where applicable USEPA GHG Mandatory Reporting Rule or Di Emissions from Mobile Combustion Sources fare used. We used 100-year GWPs from the 4th Assessment Report.	the rect actors

Standard	Disclosure	Location / Direct Answer						
		Greenhouse Gases						
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	In conjunction with our external validation of greenhous gas data we changed our Scope 2 emissions factors. To better align with Scope 2 emissions reporting standards this year Scope 2 calculations were changed to EPA EGRID region-based emission factors, and that change was carried back to the baseline year of 2015. As a result, Scope 2 emissions for years 2015, 2016, 2017, 2018, 2019, and 2020 are higher in this report compare to what was previously reported. The increase in emissions is listed in the table below.  Difference in emissions (metric tons CO <sub>2</sub> e)						
		2015 2016 2017 2018 2019 2020						
		Scope 2 146,624 124,246 119,922 111,095 100,110 89,88						
	305-4 GHG emissions intensity	Greenhouse Gases						
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Air Emissions						
Waste								
		Waste; Operation Clean Sweep®: Help Eliminate Plastic Waste in the Environment						
		Waste Generated (metric tons)						
		Total 202 <sup>-</sup>						
		Hazardous Waste 22,658						
		Non-Hazardous Waste 22,183						
		Waste Diverted from Disposal (metric tons)						
		202						
		Total 21,958						
		Hazardous Waste Onsite, energy recovery 21,958						
		Hazardous Waste Offsite  Non-Hazardous Waste Onsite						
		Non-Hazardous Waste Offsite						
		Waste Directed to Disposal (metric tons)						
		202						
		Total 22,874						
GRI 306:	306-3 Waste generated	Hazardous Waste Onsite						
Waste 2020	The state of the s	Hazardous Waste Offsite 690						
		Non-Hazardous Waste Onsite  Non-Hazardous Waste Offsite 22,183						
		Hazardous Waste Directed offsite (metric tons)						
		Z021						
		Total 690 Energy Recovery 279						
		Incineration 239						
		Landfill						
		Other 172						
		Non-Hazardous Waste Directed offsite (metric tons) 2021						
		Total 22,183						
		Energy Recovery 6,330						
		Incineration						
		Landfill 15,853						
		Other -						

Standard	Disclosure	Location / Direct Answer			
Environmental Comp	pliance (relates to material topic of Environm	ental Compliance)			
	103-1 Explanation of the material topic and its Boundary	Our Priority Topics	; Environmental Compliance		
GRI 103: Management Approach 2016	103-2 The management approach and its components	Strong Governance	ee		
7 pp10d011 20 10	103-3 Evaluation of the management approach	Strong Governance	e; Ethics and compliance		
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	Environmental Compliance			
Compilation 2010	Environmental proceedings are listed in Pa Form 10-K for the year ended December 3	· ·	•		
400 Series (Social To	opics)				
Employment					
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	AdvanSix Togethe	r; Equity, Diversity and Inclus	sion	
Occupational Health	and Safety (relates to material topic of Safet	ty Performance)			
	103-1 Explanation of the material topic and its Boundary	Our Priority Topics	; Our Safety Culture – Live S	Safety	
GRI 103: Management Approach 2016	103-2 The management approach and its components	Strong Governance			
	103-3 Evaluation of the management approach	Strong Governance; Ethics and compliance			
	403-1 Occupational health and safety management system	Our Safety Culture	e – Live Safety		
	403-2 Hazard identification, risk assessment, and incident investigation	Our Safety Culture Management	e – Live Safety; Process Safe	ety	
	403-3 Occupational health services	Our Safety Culture – Live Safety; Process Safety Management			
	403-4 Worker participation, consultation, and communication on occupational health and safety	Our Safety Culture – Live Safety; Process Safety Management			
	403-5 Worker training on occupational health and safety	Our Safety Culture – Live Safety' HSE Auditing and Lead Auditor certification training; Training			
	403-6 Promotion of worker health	Health and Wellness			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Our Sustainability Strategy; Our Safety Culture – Live Safety; Process Safety Management			
GRI 403: Occupational Health and Safety	403-8 Workers covered by an occupational health and safety management system	Process Safety Management			
2018		Our Safety Culture Management	e – Live Safety; Process Safe	ety	
		Metric	Units	2021	
		Employees			
		Fatalities as a result of work-	Number of fatalities  Fatalities per 200,000		
		related injuries	hours worked	-	
	403-9 Work-related injuries		Number of injuries Injuries per 200,000	2	
		Lost-time work-re- lated injuries	hours worked	0.14	
			Days lost per 200,000 hours worked	14.72	
		Recordable work-	Number of injuries	7	
		I ICCOTGADIC WOLK	injuries per 200,000		

Standard	Disclosure	Location / Direct Ar	nswer		
		Contractors			
		Fatalities as a re-	Number of fatalities -		
		sult of work-related injuries	Fatalities per 200,000 hours worked	-	
		Lost-time work-re-	Number of injuries	3	
	403-9 Work-related injuries	lated injuries	Injuries per 200,000 hours worked	0.60	
		Recordable work-	Number of injuries	5	
		related injuries	Injuries per 200,000 hours worked	1.00	
		Hours worked		999,581	
	403-10 Work-related ill health	Our Safety Culture Management	– Live Safety; Proce	ss Safety	
Training and Education	on (relates to material topic of Operational Im	pacts)			
	103-1 Explanation of the material topic and its Boundary	Our Priority Topics; Live Safety; Training	Our Safety Culture - g	-	
GRI 103: Management Approach 2016	103-2 The management approach and its components	Strong Governance			
Approach 2010	103-3 Evaluation of the management approach	Strong Governance; Ethics and compliance			
GRI 404: Training	404-1 Average hours of training per year per employee Training				
and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Training; HSE Auditing and Lead Auditor certification training			
Diversity and Equal C	Opportunity (relates to material topic of Equita	ble, Diverse and Inc	lusive Workforce)		
ODI 100	103-1 Explanation of the material topic and its Boundary	Our Priority Topics;	Equity, Diversity and	d Inclusion	
GRI 103: Management Approach 2016	103-2 The management approach and its components	Strong Governance			
	103-3 Evaluation of the management approach	Strong Governance	e; Ethics and complia	ınce	
ODI 405 D: "		Equity, Diversity a  Demographics of p	nd Inclusion: permanent employee	9S	
GRI 405: Diversity and Equal	405-1 Diversity of governance bodies	Gender	Ethnicity	Age	
Opportunity 2016	and employees	Female: 16%	White: 74%	Under 30: 11%	
		Male: 84%	Minority 26%	30-50: 40%	
				Over 50: 49%	
Local Communities					

2,920,521

GRI 413: Local
Communities 2016

413-1 Operations with local community engagement, impact assessments, and development programs

Fostering Community Engagement

Hours worked

Stakeholders	Key Topics and Concerns Raised	Selected Engagement			
		<ul> <li>Town hall meetings and informal Q&amp;A sessions wit leaders</li> </ul>			
		AdvanSix intranet			
		Social media, including LinkedIn			
	Safety and workplace security	Employee resource groups			
	Inclusion and diversity	Employee engagement			
	Health and wellness	Surveys and roundtable discussions			
Employees	Career development	Service Anniversary Recognitions			
	Competitive compensation and benefits	Training programs			
	Work/life balance	Emergency Brigades volunteering			
	Business strategy and culture	Medical operations at our plants			
		Discounts on gym membership			
		Employee Assistance Program			
		Health savings accounts			
		• Ethics hotline			
		Local community associations			
	<ul> <li>Economic development</li> </ul>	Social media postings			
	<ul> <li>Environmental impacts, including</li> </ul>	Contribution to community initiatives			
	emissions	Volunteering with non-profits			
	<ul> <li>Community involvement and support</li> </ul>	Support local emergency services			
Communities	<ul> <li>Support of education</li> </ul>	STEM education support and interaction			
	<ul> <li>Employment opportunities</li> </ul>	Co-op programs			
	Human rights	Local sponsorships			
	Operational impacts	Local media relations			
	Community impacts and needs	Chamber of commerce memberships			
		Maintain regular dialogue			
	0.4.	Collaborative approach			
	• Safety	Account management interaction			
	Product quality	Presence at industry events  Tasks included and include the second at the second			
2	Sustainability	Technical and application support			
Customers	Supply chain management	Distribution channels			
	New product development	Customer service team			
	Innovative products and technology  Tacknesis are as all	Customer service call centers			
	Technology needs	Quality control and management			
		Marketing solutions     Social modia			
		Social media			
	Energy supply and security	Plant tours and site visits for government officials			
	Environmental performance	Industry / trade association involvement			
	Compliance	Support economic development			
Government	Employment opportunities	<ul><li>Support economic development</li><li>Support co-ops and employment programs</li></ul>			
2.010.1.1110111	• Ethics and integrity	<ul><li>Support co-ops and employment programs</li><li>Provide information and insights on policies that may</li></ul>			
	Local supplier development	affect our business			

Stakeholders	Key Topics and Concerns Raised	Selected Engagement
Investors	<ul> <li>Business performance and market dynamics</li> <li>Transparent reporting of financial performance</li> <li>Return on investment</li> <li>Capital expenditures</li> <li>Risk management</li> <li>Board composition</li> <li>Corporate Governance and Executive Compensation</li> <li>Corporate Social Responsibility and ESG</li> <li>Climate change</li> <li>Environmental performance</li> </ul>	<ul> <li>Quarterly earnings announcements, conference calls, and materials</li> <li>News releases and SEC Filings</li> <li>Annual report</li> <li>Proxy Statement and Annual Meeting of Stockholders</li> <li>Investor Relations website</li> <li>Investor Day</li> <li>Presentations at conferences</li> <li>Investor meetings</li> <li>Investment stewardship outreach</li> </ul>
Suppliers	<ul> <li>Safety</li> <li>Value chain insights</li> <li>Local supplier development</li> <li>Quality</li> <li>Performance expectations</li> <li>Operational integrity</li> <li>Environmental performance</li> <li>Expectations for suppliers</li> <li>Diversity and inclusion</li> <li>Education</li> <li>Human rights</li> <li>Risk management</li> <li>Corporate responsibility</li> </ul>	<ul> <li>Educate and require suppliers to follow our HSE values and procedures</li> <li>Engage with Supplier Code of Business Conduct</li> <li>Contractual authority to conduct audits and enforce compliance with Supplier Code of Business Conduct</li> <li>Industry and trade group involvement</li> <li>Periodic business review meetings</li> <li>Supplier relationship management to ensure performance and corrective actions</li> <li>Periodic assessment of supplier qualifications</li> <li>Supplier Assessment Framework through EcoVadis and Together for Sustainability Initiative</li> </ul>

### Sustainability Accounting Standards Board - Chemicals Sector

Topic	Accounting Metric	Code	Disclosure Location
	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	RT-CH-110a.1	Greenhouse Gases
Greenhouse Gas Emissions	Discussion of long-term and short- term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	RT-CH-110a.2	Climate; Greenhouse Gases
Air Quality	Air emissions of the following pollutants: (1) NOX (excluding N2O), (2) SOX, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	RT-CH-120a.1	Air Emissions
Energy Management	<ul><li>(1) Total energy consumed,</li><li>(2) percentage grid electricity,</li><li>(3) percentage renewable,</li><li>(4) total self-generated energy</li></ul>	RT-CH-130a.1	Energy; Electricity
Water Management	<ul><li>(1) Total water withdrawn,</li><li>(2) total water consumed,</li><li>percentage of each in regions with</li><li>High or Extremely High Baseline</li><li>Water Stress</li></ul>	RT-CH-140a.1	Water
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	RT-CH-150a.1	Waste
Community Relations	Discussion of engagement processes to manage risks and opportunities associated with community interests	RT-CH-210a.1	Fostering Community Engagement
	<ul><li>(1) Total recordable incident rate</li><li>(TRIR) and</li><li>(2) fatality rate for</li><li>(a) direct employees and</li><li>(b) contract employees</li></ul>	RT-CH-320a.1	Our Safety Culture – Live Safety; Process Safety Management
Workforce Health & Safety	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	RT-CH-320a.2	Our Safety Culture – Live Safety; Health and Wellness
	Discussion of strategy to (1) manage chemicals of concern (2) develop alternatives with reduced human and/or environmental impact	RT-CH-410b.2	Our Safety Culture – Live Safety; Waste
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	RT-CH-530a.1	Concerted Industry Action; Environmental Compliance; Policy Statement Against Slavery and Human Trafficking (Corporate website); Conflict Minerals Policy Statement (Corporate website)
Operational Safety, Emergency Preparedness and Response	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	RT-CH-540a.1	Process Safety Management

### Task Force on Climate-Related Financial Disclosures (TCFD) Recommendations

Thematic pillar	Page number(s) and/or URL(s)	
Governance	Our Sustainability Strategy; Strong Governance; Climate; Governance Framework - Climate change risk management assessment program	
Strategy	Our Sustainability Strategy; Climate; 2021 Annual Report pg. 20-21	
Risk Management  Climate; Governance Framework - Climate change risk management assessment program  Annual Report pg. 13; 2022 Proxy Statement pg. 12		
Metrics & targets	Environmental Stewardship	

### United Nations Global Compact (UNGC) Ten Principles

Focus Area	Principle#	Principle	Disclosure Location
Human Rights	1	Businesses should support and respect the protection of internationally proclaimed human rights	Message from the CEO; UN Global Compact; Our ESG Foundation; <u>Code of</u> <u>Business Conduct</u> (Corporate website)
Human Rights	2	Make sure that they are not complicit in human rights abuses	Message from the CEO; UN Global Compact; Ethics and compliance; Code of Business Conduct (Corporate website); Policy Statement Against Slavery and Human Trafficking
Labour	3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Message from the CEO; UN Global Compact; Code of Business Conduct (Corporate website)
Labour	4	The elimination of all forms of forced and compulsory labour	Message from the CEO; Governance; Code of Business Conduct (Corporate website); Policy Statement Against Slavery and Human Trafficking
Labour	5	The effective abolition of child labour	Message from the CEO; Governance; <u>Code of Business Conduct</u> (Corporate website)
Labour	6	The elimination of discrimination in respect of employment and occupation	Message from the CEO; Governance; Code of Business Conduct (Corporate website); Governance Framework Supporting Integrity
Environment	7	Businesses should support a precautionary approach to environmental challenges	Message from the CEO; UN Global Compact; Environmental Stewardship; Sustainability Through the Value Chain
Environment	8	Undertake initiatives to promote greater environmental responsibility	Environmental Stewardship; Fostering Community Engagement; Concerted Industry Action; Sustainability Through the Value Chain
Environment	9	Encourage the development and diffusion of environmentally friendly technologies	Partnering with our suppliers to recycle packaging; Products with 100% Post-Industrial Recycled Content; Stewardship of the Water Sources Around Us
Anti-corruption	10	Businesses should work against corruption in all its forms, including extortion and bribery	UN Global Compact; Strong Governance; Code of Business Conduct (Corporate website)

### **Independent Assurance Statement to AdvanSix Inc.**

ERM Certification and Verification Services Inc. ('ERM CVS') was engaged by AdvanSix Inc. ('AdvanSix') to provide assurance in relation to the information set out below and presented in AdvanSix's 2021 Sustainability Report for the reporting year ended December 31, 2021 ('the Report').

### **Engagement summary**

Whether the 2021 information and data for specified indicators, as listed below are fairly presented in the Report, in all material respects, with the reporting criteria:

### Environmental Indicators:

- Direct (Scope 1) GHG emissions [metric tons CO2e]
- Indirect (Scope 2 location-based) GHG emissions [metric tons CO2e]
- GHG Intensity [metric tons of CO2e per million pounds of production\*]
- Energy use [billion British thermal units]
- Energy intensity [million British thermal units per million pounds of production\*]
- Electricity [megawatt hours]
- Total water withdrawal [megaliters]\*\*
- Total water discharge [megaliters]\*\*
- Total water consumption [megaliters]\*\*
- Total weight of waste generated [metric tons]\*\*
- Total weight of hazardous waste generated [metric tons]
- Total weight of non-hazardous waste generated [metric tons]

  The state of the
- Total weight of waste diverted from disposal [metric tons]\*\*
- Total weight of waste directed to disposal [metric tons]\*\*

### Safety Performance Indicators:

Scope of our

assurance

Total fatalities as a result of work-related injuries (Employees and Contractors) [number of fatalities]\*\*\*

Total recordable work-related injuries (Employees and Contractors) [number of injuries]\*\*\*

- Total lost-time work-related injuries (Employees and Contractors) [number of injuries]\*\*\*
- Total Case Incident Rate (TCIR) [number per 100 employees] \*\*\*
- Process Safety Events Tier 1 (PSE -1) [number]
- Process Safety Events Tier 2 (PSE -2) [number]

### Ethics & Governance Indicators:

- Total of governance body members that the organization's anticorruption policies and procedures have been communicated to by region [number and percentage]
- Total legal actions pending or completed during the reporting period regarding anticompetitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant [number]

### Sustainable Procurement:

- Suppliers subject to the AdvanSix Supplier Code of Business Conduct [percentage]
- Supplier receiving training on sustainability issues under the Together for Sustainability principles [percentage]
- AdvanSix's assessed supply base currently meeting or exceeding EcoVadis supplier scoring above 45 [percentage]
- \* Production data was not a part of the scope of the assurance engagement itself; rather, ERM CVS placed reliance on the accuracy and completeness of the production data, which was then used to assure the intensity figures.
- \*\* ERM CVS assured only the total of each GRI required disclosure but did not separately assure each subcategory of water and waste indicators.
- \*\*\* ERM CVS did not independently assure hours worked or worker classification totals but relied on employee data assured as part of internal audit activities.

Reporting period

Reporting criteria

AdvanSix's Basis of Reporting (internal reporting criteria and definitions) for the Scope 1 and 2 GHG emissions and Health & Safety KPIs

GRI Sustainability Reporting Standards for water, waste, and ethics KPIs

International Standard on Assurance Engagements ISAE 3000 (Revised).

Assurance level

Respective responsibilities

AdvanSix is responsible for preparing the Report and for the collection and presentation of the information within it.

ERM CVS' responsibility is to provide a conclusion on the agreed scope based on the assurance activities performed and exercising our professional judgement.

### Our conclusion

Based on our activities, as described below, nothing has come to our attention to indicate that the 2021 data and information for the for specified indicators list above are not fairly presented in the Report, in all material respects, with the reporting criteria.

### Our assurance activities

A multi-disciplinary team of sustainability and assurance specialists performed a range of assurance procedures which varied across the disclosures covered by our assurance engagement, as follows:

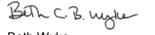
- A review of external media reporting relating to AdvanSix to identify relevant sustainability issues in the reporting period.
- Interviews with management representatives responsible for managing the selected issues.
- Interviews with relevant staff to understand and evaluate the relevant management systems and processes (including internal review processes) used for collecting and reporting the selected disclosures.
- Conducted an in-person site visit to an AdvanSix production facility located in Hopewell, Virginia to interview site staff responsible for collecting and managing selected indicator data at the facility.
- An analytical review of the year end data submitted by all locations included in the consolidated 2021 group data for the selected disclosures which included testing the completeness and mathematical accuracy of data.
- Confirming conversion factors, emission factors, and assumptions used.
- Reviewing the presentation of information relevant to the scope of our work in the Report to ensure consistency with our findings.

### The limitations of our engagement

The reliability of the assured information is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.

### Our independence

ERM CVS is a member of the ERM Group. The work that ERM CVS conducts for clients is solely related to independent assurance activities and auditor training. Our processes are designed and implemented to ensure that the work we undertake with clients is free from bias and conflict of interest. ERM CVS and the staff that have undertaken work on this assurance exercise provide no consultancy related services to AdvanSix in any respect.



Head of Corporate Assurance, Malvern, PA

August 18, 2022

ERM Certification and Verification Services Inc.

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