



Clearly

COVIA



2018 CORPORATE RESPONSIBILITY REPORT

Message from CEO

GRI 102-14 >

The formation of Covia in June 2018 brought together two dynamic market leaders in minerals and material solutions, with complementary assets, values, and cultures. Covia's culture includes an unwavering commitment to corporate responsibility and the creation of value for all our stakeholders, including our employees, our customers, our shareholders, and the communities where we live and operate. We invested in responsible practices with a laser-like focus on the well-being of people, communities, and the environment.

Clearly Covia defines who we are and how we conduct ourselves as a company. Our key values of **Safety First; Be Different; Deliver on Promise; and, Do Good. Do Well. Act Responsibly.** help to set the tone for every action and interaction. Our employees are empowered to own safety; challenge the status quo; be collaborative and accountable; exceed expectations; protect our planet; strengthen our communities; and, advance prosperity for all stakeholders. To learn more about **Clearly Covia** and how our employees put our values into action, please visit the [Employer of Choice](#) section of this report.

We are proud of our many accomplishments in 2018. Employees worked diligently to integrate into one company; to fulfill and exceed our commitments to customers and business partners; to share and adopt best practices; and, to reposition the business in response to changing market conditions. As an example of the progress we made in 2018, our Sustainable Development (SD) Teams achieved 96 percent completion on their 2018 goals.

We set ourselves apart through our people, assets, values, innovation, and commitment to Sustainable Development (SD). Our community engagement activities and SD Teams extend from Mexico to the United States and Canada. A few of our 2018 accomplishments include:

- Commercializing our DST™ dust suppression technology, offering a solution to help our customers to comply with stricter OSHA respirable crystalline silica regulations
- Significantly improving our Truck Loadout Optimization initiative, assisting our customers and transportation partners in operating more efficiently
- Conducting our first company-wide Safety Day, focused on emergency response simulations
- Ensuring the planting of more than 81,000 trees, with employees planting nearly five percent of this total
- Engaging employees in various health and wellness and learning challenges
- Partnering with Ducks Unlimited to support wetlands conservation across North America
- Celebrating Wildlife Habitat Council (WHC) certification at 36 of our facilities and receiving two WHC awards
- Contributing approximately \$1.6 million and more than 16,000 volunteer hours in our local communities

Looking ahead, our key priorities include completing Covia's integration, targeting organic growth opportunities in both our Industrial and Energy segments, strengthening our cost position and ability to offer total solutions, and improving our financial position. To help us achieve these priorities and further our commitment to [People](#), [Planet](#), and [Prosperity](#), we look forward to expanding active engagement in our SD Teams.

On behalf of Covia's leadership team, we want to thank our employees, customers, shareholders, and various business partners for your outstanding contributions and ongoing collaboration and loyalty. We are **Clearly Covia**.

Sincerely,



Richard A. Navarre, Chairman, President and Chief Executive Officer

Overview

GRI 102-13, 102-49, 102-51, 102-54 >

About Us

The Covia Team is committed to being more than a leading provider of high-performance mineral and material solutions. We believe that our Company can make a positive difference in the world. Our Company's action orientation builds from our **Clearly Covia** values and behaviors: **Safety First; Be Different; Deliver on Promise;** and, **Do Good. Do Well. Act Responsibly.** and encompasses all three pillars of sustainability—**People, Planet, and Prosperity.** In 2018, we engaged internal and external stakeholders in an in-depth **materiality assessment to determine our most significant environmental, social, and economic impacts and Sustainable Development (SD) priorities.** Our Director of Sustainable Development, SD Advisory Committee, SD topic owners, SD Coordinators, and SD Teams **advance the management and measurement of these topics annually.** Throughout the **People, Planet, and Prosperity** sections, you will find our management approach, performance, and key highlights for each material topic.

About Our Report

As a newly formed Company, Covia is proud to present our first annual Corporate Responsibility (CR) report. This report references GRI 102: General Disclosures 2016; GRI 103: Management Approach 2016; GRI 201: Economic Performance 2016; GRI 302: Energy 2016; GRI 303: Water 2016; GRI 304: Biodiversity 2016; GRI 305: Emissions 2016; GRI 403: Occupational Health and Safety 2016; and, GRI 404: Training and Education 2016. Given Covia was formed in June 2018, we do not have full-year data to report for some topics. In 2019 we plan to report in accordance with the GRI Standards Core option. This report fulfills our UN Global Compact Communication on Progress (COP) submission. This report is available for download as a [PDF](#).

Partners

We demonstrate our commitment to Sustainable Development (SD) by forming partnerships and engaging with industry associations, non-profits, and academic organizations. Our leaders help to improve industry standards and share best practices for SD, raising our industry's collective level of responsibility. Together with our partners, we raise awareness, increase transparency, and build support for responsible mining—helping to make our communities stronger.

Our valued partners span geography and share our values. Here is a sample:

- Alzheimer's Association
- American Ceramic Society
- American Chemistry Council Crystalline Silica Panel
- American Foundry Society
- American Institute of Chemical Engineers
- American Petroleum Institute
- American Red Cross
- American Society for Quality
- American Society of Safety Engineers
- American Systems Registrar (ASR)
- American Water Works Association
- Casting Industry Supplier Association
- Club Optimiste de Saint-Canut
- Drink Local. Drink Tap.
- Ducks Unlimited
- Ductile Iron Society
- Dunn County Economic Development Corporation
- Flourishing Leadership Institute
- Foundry Association of Michigan
- Foundry Educational Foundation
- Fowler Center for Business as an Agent of World Benefit at Case Western Reserve University
- Georgia Mining Association
- Mine Safety and Health Administration (MSHA)
- Moisson des Laurentides
- Momentum West
- National Association of Manufacturers
- National Freight Transportation Association
- National Industrial Sand Association
- National Institute for Occupational Safety and Health
- National Safety Council
- North American Rail Shippers Association
- Ohio Cast Metals Association
- Ohio Parks and Recreation Association
- Occupational Safety and Health Administration (OSHA)
- Pennsylvania Parks and Recreation Association
- Peterborough, Ontario Regional Health Centre
- Permian Basin Petroleum Association
- Pierce County Economic Development Corporation
- Plexus LGBT & Allied Chamber of Commerce
- Sociedad Mexicana de Cerámica
- Sociedad Mexicana de Fundidores
- Société Canadienne du Cancer
- Society for Human Resource Management
- Society for Mining, Metallurgy and Exploration
- Society of Chemical Manufacturers and Aliates

- Golf Course Builders Association of America
- Golf Course Superintendents Association of America
- Greater Cleveland Partnership
- Greater Mankato Growth
- Illinois Association of Aggregate Producers (IAAP)
- Indiana Cast Metals Association
- Industrial Energy Consumers Association
- Industrial Minerals Association – North America (IMA-NA)
- Industrial Sand Producers of Texas (ISPOT)
- Institute for Sustainable Business at Baldwin Wallace University
- International Society of Mine Safety Professionals
- Junior Achievement of Peterborough Lakeland Muskoka (Ontario)
- Leadership Geauga
- Marcellus Shale Coalition
- Mexican Mining Chamber (CAMIMEX)
- Society of Petroleum Engineers
- Sustainable Cleveland 2019
- Synthetic Turf Council
- Texas Cast Metals Association
- Texas Oil & Gas Association
- Tile Council of North America
- Trees for the Future
- Trout Unlimited
- United Nations Global Compact
- United Way
- University of Wisconsin – Eau Claire
- Water Environment Federation
- Western Reserve Land Conservancy
- Wildlife Habitat Council
- Wisconsin Industrial Sand Association
- Wisconsin Manufacturers & Commerce
- Wisconsin Partners for Clean Air
- Wisconsin Sustainable Business Council

Corporate Responsibility Governance

GRI 102-18 >

We embed our commitment to [People](#), [Planet](#), and [Prosperity](#) within every layer of our Company. Our board of directors considers Sustainable Development (SD) foundational to our culture and continued growth. They are updated on our SD progress, and they provide strategic guidance for future initiatives through participation on the Audit, Governance, Executive, and Compensation Committees.

A group of senior leaders and our Director of Sustainable Development, Beau Daane, lead our SD Advisory Committee—composed of 17 executives and directors from key functions across the business—in developing and executing our Sustainable Development strategy. Our Regional SD Coordinators engage employees with SD practices and monitor progress at our facilities, uniting our employees across the world in our SD efforts. Our employees voluntarily participate in our 10 SD Teams, which develop and implement annual goals and initiatives. We hold all SD Team Members, Regional SD Coordinators, and SD Advisory Committee Members accountable through reporting relationships that monitor, encourage, and assist SD performance.

Covia and our board of directors are committed to sound corporate governance practices and conducting business activities according to the highest ethical standards. In carrying out this responsibility, the board of directors has adopted corporate governance guidelines in accordance with the rules of the New York Stock Exchange. Covia's code of business conduct and ethics applies to employees, directors, and officers. Our policies are publicly available on our [Investor Relations Corporate Governance](#) page.

Stakeholder Engagement and Materiality

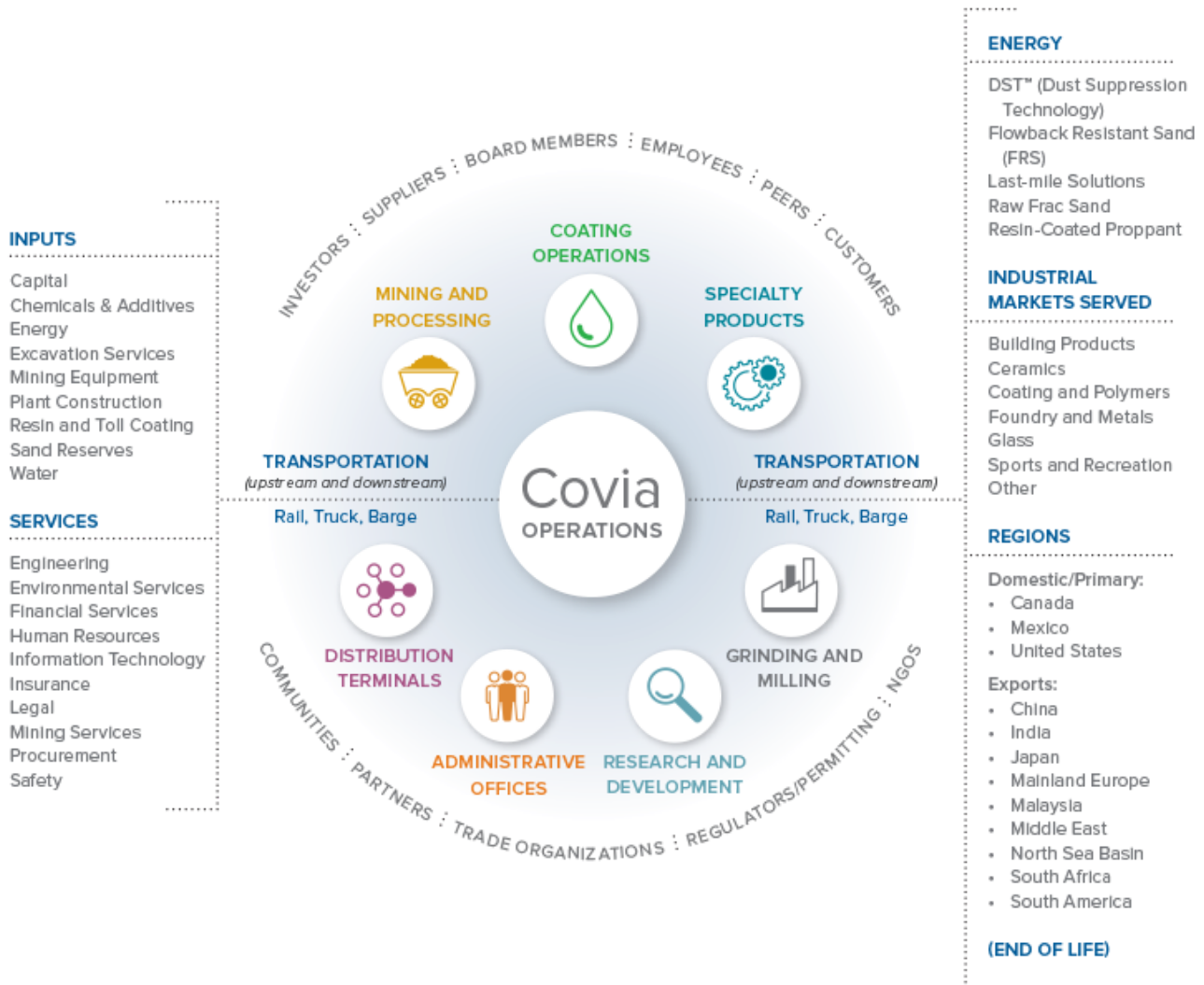
GRI 102-9, 102-40, 102-42, 102-43, 102-44, 102-46, 102-47, 102-49, 103-1 >

We believe our relationship with our employees and external stakeholders strengthens our business. By soliciting perspectives and feedback from our board of directors, employees, customers, suppliers, partners, investors, community members, and regulators, we gain insights that enable us to make good strategic decisions.

In 2018, we conducted a robust materiality assessment to identify our most relevant environmental, social, and economic impacts, risks, and opportunities across our value chain. We worked with stakeholders to understand their perspectives, incorporating their input with our knowledge of global and industry trends to prioritize our Sustainable Development (SD) topics. We considered mega trends including resource efficiency (doing more with less) and urbanization. Our products help advance many of these global mega trends.

The results of all the materiality assessment work serve as a roadmap for our SD initiatives, ensuring we are investing our resources where we can have the most positive impact. Each year the SD Advisory Committee sets new and more challenging goals for our SD Teams that push us to achieve greater accomplishments. We plan to refresh our materiality assessment every three years as priorities evolve for our business, our markets, and our valued partners.

Value Chain



The Materiality Assessment Process

Shortly after the creation of Covia in mid-2018, we conducted a materiality assessment. This process was conducted by a third party that looked across our value chain—our operations, supply chain, and product use phase—for impacts, risks, and opportunities, and engaged key internal and external stakeholders in one-on-one conversations. This assessment aimed to ensure that we are managing our most significant Sustainable Development (SD) material topics—topics that matter most to Covia’s stakeholders. Many of the topics identified are issues listed as risk factors in the Covia 2018 Annual Report on form 10-K.

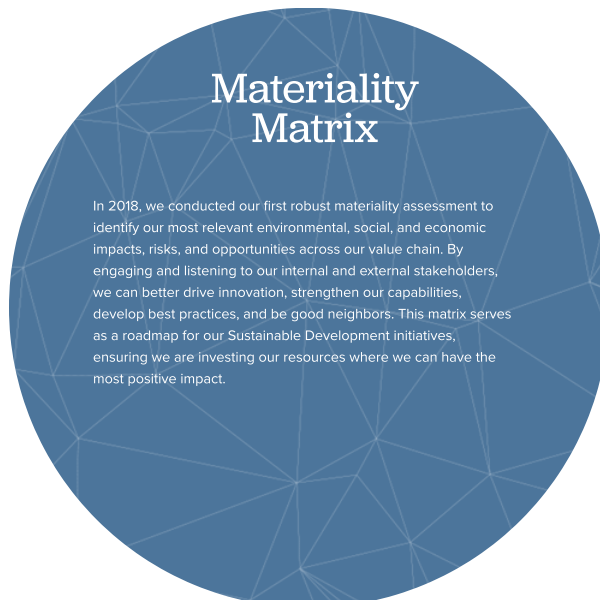
Steps in the Materiality Assessment Process

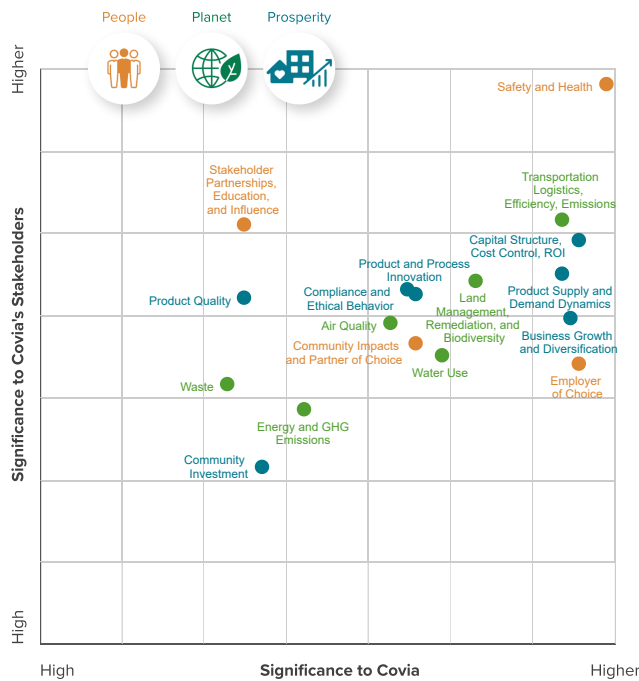
Benchmarking	We benchmarked peers to compare and contrast focus areas. We also benchmarked sustainability topics discussed by our top customers in our two business segments—Energy and Industrial.
Research	We conducted research to determine material Sustainable Development (SD) topics in the mining, manufacturing, and oil and gas industries. We also invested in third-party research to learn about topics relevant to our business.
Impact Mapping	A cross-functional group of senior leaders came together to discuss benchmarking and research results. The group identified significant economic, environmental, and social impacts, risks, and opportunities across our value chain. We then administered an internal survey where nearly 30 Covia leaders rated the importance of various impacts, risks, and opportunities based on common criteria.
External Stakeholder Interviews	We interviewed 35 external stakeholders for their perspectives on which Sustainable Development (SD) topics are most important to proactively manage. Stakeholders included Energy customers, Industrial customers, transportation suppliers, community members, industry associations, regulatory authorities, and an expert on sustainable business practices.
Board of Directors Interviews	Four of the 13 members of our board of directors participated in interviews to describe the highest-priority Sustainable Development (SD) topics that both add value and mitigate risk.
Validation Workshop	In October 2018, a cross-functional group of senior leaders, discussed the results of the materiality assessment and validated the prioritization of the material topics.

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

- Have a deep knowledge of Covia;
- Influence Covia’s operations and prosperity;
- Are significantly impacted by Covia’s operations and prosperity;
- Possess expertise related to industry and/or sustainability topics relevant to Covia; and
- Have the ability to collaborate with Covia to address key impacts, risks, and opportunities.

Through the robust research, benchmarking, and stakeholder engagement, the following topics surfaced as our highest priority:





People

Safety and Health

Definition / Boundary

Providing the proper training, tools, equipment, and safety culture for those exposed to the hazards of mining and transportation of our products; having emergency preparedness and response plans; having proper equipment, processes, and testing in place to mitigate potential health risks from dust and other airborne particulate matter; providing customers with communication on the proper use of our products and dust management techniques

Boundary: All internal operations; external operations — on-site suppliers and contractors in our areas of operation and customer operations globally, communities in our areas of operation

Primary Stakeholders Impacted

Customers, Employees, Suppliers

Community Impacts and Partner of Choice

Definition / Boundary

Managing our potential impact on communities in which we operate, including traffic, noise, lights, air quality, surface water and ground water quality, and blasting impacts; engaging in dialogue with local citizens to develop ongoing positive community relations; being present, accessible, transparent, and proactive in explaining Sustainable Development practices and addressing concerns; working with local stakeholders to plan for and limit the impacts of a closure, idling, or relocation of a Covia facility, including the long-term land use for the benefit of the community

Boundary: External operations — communities in our areas of operation

Primary Stakeholders Impacted

Communities, Employees

Employer of Choice

Definition / Boundary

Taking the best of the unique cultures of our legacy organizations to create a thriving, vibrant, and authentic Clearly Covia culture; providing employees with high quality training, education, personal and career development opportunities, recognition, health and wellness assistance, and work-life balance; empowering employees to make a difference at work, in their own lives, and in the world through Sustainable Development and volunteerism; providing employees with competitive wages, benefits, and profit sharing; attracting, developing, and retaining talented and qualified employees; managing high rates of experienced or anticipated organization changes with clear and consistent communication from senior and local leadership, two-way channels of communication, and addressing employee concerns

Boundary: All internal operations

Primary Stakeholders Impacted

Employees, Investors

Stakeholder Partnerships, Education, and Influence

Definition / Boundary

Partnering with, educating and innovating with suppliers, customers, peers, governments, indigenous peoples, communities, local interest groups, schools, local businesses, and other partners in the adoption of sustainable practices; educating investors about our commitment to Sustainable Development and its value; effectively introducing the Covia brand to all internal and external stakeholders; partnering with non—governmental organizations (NGOs) that share and champion our mission of corporate responsibility

Boundary: External operations — suppliers, customers, peers, partners, investors, and businesses in our areas of operation and globally

Primary Stakeholders Impacted

Communities, Customers, Suppliers

Planet

Air Quality

Definition / Boundary

Striving to promote safe air quality in and around our facilities through compliance with required regulations in all material respects, voluntarily set measures that exceed required levels, and internal and external third—party testing; Minimizing fugitive dust emissions and striving for safe air quality in nearby communities

Boundary: Internal manufacturing and mining operations; external operations — communities in our areas of operation

Primary Stakeholders Impacted

Communities, Customers, Employees, Suppliers

Transportation Logistics, Efficiency, Emissions

Definition / Boundary

Reducing transportation—related carbon emissions and costs; planning for, securing, and effectively utilizing an efficient and reliable network of last mile, regional, national, and international transportation providers; managing the utilization of railcars, trucks, and barges—filling to maximum capacity and reducing unnecessary transportation

Boundary: Internal transportation and logistics operations; external operations — supplier and transportation carrier operations

Primary Stakeholders Impacted

Employees, Customers, Suppliers

Water Use

Definition / Boundary

Assessing and mitigating our water—related impacts and risks, with sensitivity to water—stressed regions; increasing the efficiency of freshwater withdrawals and the use of recycled water; managing potential direct and indirect impacts on groundwater, surface water, and aquifers; frequent internal and third—party testing of our discharged water for solids in suspension, pH, and other constituents to maintain compliance with relevant regulations

Boundary: Internal manufacturing and mining operations; external operations — communities in our areas of operation and customers' operations using our products

Primary Stakeholders Impacted

Customers, Employees, Communities, Investors

Land Management, Remediation, and Biodiversity

Definition / Boundary

Evaluating, managing, and remediating impacts to all flora and fauna, including protected species and natural habitats resulting from our mining activities and reclamation; positively impacting species diversity and their ability to thrive during mining operations and post-closure; assessing post-closure land uses with local stakeholders and returning land to a productive state after mine or quarry closure wherever possible

Boundary: Internal mining operations; external operations — communities in our areas of operation

Primary Stakeholders Impacted

Communities, Employees, Investors

Energy and GHG Emissions

Definition / Boundary

Effectively managing energy use across our operations to reduce our GHG emissions; procuring low carbon and renewable energy sources; exploring facility and enterprise GHG emission reduction targets

Boundary: Internal manufacturing and mining operations (not including offices and company vehicles)

Primary Stakeholders Impacted

Communities, Customers, Employees, Investors

Waste

Definition / Boundary

Properly characterizing, monitoring, containing, managing, and disposing of solid and liquid waste from our mining operations; reducing waste sent to landfills; identifying customers for waste streams suitable for beneficial reuse; keeping resources in use for as long as possible

Boundary: Internal manufacturing and mining operations; external operations — communities in our areas of operation (including offices)

Primary Stakeholders Impacted

Communities, Employees

Prosperity

Product Supply and Demand Dynamics

Definition / Boundary

Foreseeing, planning for, and managing the fluctuating supply, demand, and pricing in markets we serve; positioning Covia to capture shifts in demand (e.g., Permian Basin, finer sands, and low iron sand for high quality glass) while balancing long—term economic, social, and environmental risks and impacts

Boundary: All internal operations; external operations — customer operations globally

Primary Stakeholders Impacted

Customers, Employees, Investors

Capital Structure, Cost Control, ROI

Definition / Boundary

Maintaining a strong balance sheet and access to capital to respond to commitments and market conditions (e.g., debt repayments, organic investments, restarting idled mines/quarries, strategic acquisitions); controlling costs to enhance margins; making investment decisions based on agreed—upon ROI

Boundary: All internal operations

Primary Stakeholders Impacted

Customers, Employees, Investors

Business Growth and Diversification

Definition / Boundary

Establishing a business strategy that positions Covia for success throughout all market cycles; bridging to lower carbon economies through a diversified portfolio of products and solutions serving sustainable industries through organic growth, geographic expansion, innovation, and/or acquisition; promoting cross—selling synergies

Boundary: All internal operations

Primary Stakeholders Impacted

Communities, Employees, Investors, Suppliers

Product Quality

Definition / Boundary

Providing consistent, reliable, high—quality products with proper handling and storage to meet or exceed customer expectations

Boundary: Internal manufacturing and mining operations; external operations — customer operations globally

Primary Stakeholders Impacted

Customers, Employees, Investors

Product and Process Innovation

Definition / Boundary

Investing in innovation and technologies that contribute to solving customer challenges and advance sustainable products and practices (e.g., reduce dust, freshwater consumption, methane emissions, contaminants); protecting our proprietary products and processes; exploring the use of environmental life cycle analyses to drive sustainable product innovations

Boundary: Internal research and development operations; external operations — customer operations globally

Primary Stakeholders Impacted

Customers, Employees, Investors

Compliance and Ethical Behavior**Definition / Boundary**

Making ethical and responsible decisions in daily practices, adhering to applicable corporate governance policies, and complying with applicable laws and regulations; pursuing business practices that enable us to acquire permits and maintain or gain access to land, mineral rights, and water, helping ensure continuous operations

Boundary: All internal operations

Primary Stakeholders Impacted

Communities, Customers, Employees, Governments and Regulatory Agencies, Suppliers, Investors

Community Investment**Definition / Boundary**

Investing time, talent, and financial resources to local organizations and initiatives that enhance our communities—focusing on Environment, Health & Wellness, and Education; deeding acreage; prioritizing local hiring and procurement

Boundary: External operations — communities in our areas of operation

Primary Stakeholders Impacted

Communities, Employees

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

Below are the stakeholder perspectives we gathered through our materiality assessment and other engagement mechanisms.

Stakeholder Group	Types of Engagement	Frequency of Engagement	Topics of Importance
Board of Directors	In-person meetings, calls	Regularly, customized as needed	Air Quality; Business Growth and Diversification; Capital Structure, Cost Control, ROI; Community Impacts and Partner of Choice; Compliance and Ethical Behavior; Employer of Choice; Energy and GHG Emissions; Product Supply and Demand Dynamics; Safety and Health; Transportation Logistics, Efficiency, Emissions
Leadership Team	In-person meetings, calls	Regularly, customized as needed	Air Quality; Business Growth and Diversification; Capital Structure, Cost Control, ROI; Compliance and Ethical Behavior; Employer of Choice; Product and Process Innovation; Product Quality; Product Supply and Demand Dynamics; Safety and Health; Transportation Logistics, Efficiency, & Emissions; Water Use
Employees	Employee Engagement Survey, in-person meetings, calls	Regularly, customized as needed	Air Quality; Business Growth and Diversification; Capital Structure, Cost Control, ROI; Community Impacts and Partner of Choice; Community Investment; Compliance and Ethical Behavior; Employer of Choice; Energy and GHG Emissions; Product Quality; Product Supply and Demand Dynamics; Safety and Health; Water Use
Energy Customers	Surveys, interviews, in-person meetings, calls	Regularly, customized as needed	Capital Structure, Cost Control, ROI; Product and Process Innovation; Product Quality; Product Supply and Demand Dynamics; Safety and Health; Transportation Logistics, Efficiency, Emissions
Industrial Customers	Surveys, interviews, in-person meetings, calls	Regularly, customized as needed	Compliance and Ethical Behavior; Energy and GHG Emissions; Safety and Health; Stakeholder Partnerships, Education and Influence; Transportation Logistics, Efficiency, Emissions; Water Use
Communities	Public hearings, open houses, newsletters, calls, in-person meetings, local media sources	Ongoing, customized as needed	Community Impacts and Partner of Choice; Community Investment; Stakeholder Partnerships, Education and Influence
Governments	Public hearings, open	Ongoing,	Air Quality; Compliance and Ethical Behavior; Energy and GHG Emissions; Safety and Health;

and Regulatory Agencies	houses, newsletters, calls, in-person meetings, local media sources	customized as needed	Stakeholder Partnerships, Education and Influence; Waste
NGOs and Subject Matter Experts	In-person meetings, calls	Annually, as needed	Energy and GHG Emissions; Community Impacts and Partner of Choice; Community Investment; Land Management, Reclamation, Biodiversity; Safety and Health; Stakeholder Partnerships, Education and Influence
Suppliers (Transportation, Chemical, etc.)	Surveys, in-person meetings, calls	Ongoing	Business Growth and Diversification; Safety and Health; Stakeholder Partnerships, Education and Influence; Transportation Logistics, Efficiency, Emissions
Investors	Quarterly calls, press releases, in-person meetings	Quarterly, as needed	Capital Structure, Cost Control, ROI; Compliance & Ethical Behavior; Community Impacts and Partner of Choice; Energy and GHG Emissions; Employer of Choice; Land Management, Reclamation, Biodiversity; Product Supply and Demand Dynamics; Safety and Health; Waste; Water Use
Peers and Industry Associations	Membership/ attending in-person meetings, calls	Regularly, customized as needed	Air Quality; Community Impact & Partner of Choice; Community Investment; Compliance & Ethical Behavior; Product and Process Innovation; Safety and Health; Stakeholder Partnerships, Education and Influence

We sincerely appreciate our stakeholders' interest in engaging with us and the valued time they gave to assist us in prioritizing our most important topics. Their support helps Covia stay true to our ongoing commitment to Sustainable Development.

Our Materiality Results: Significant Impacts, Risks, and Opportunities

The materiality assessment validated many topics we have historically known to be important to our organization. We identified topic owners for each of the 17 most significant Sustainable Development (SD) topics and worked to better understand how each topic is managed. We continue to align our management and SD Team efforts with our most significant SD topics and strengthen our measurement of key performance indicators. In 2019, we plan to set long-term goals for each topic to propel us toward a flourishing future. Throughout [People](#), [Planet](#), and [Prosperity](#), you will learn about our management approach and progress.

Goals and Progress

Each year, our Sustainable Development (SD) Advisory Committee and SD Teams set S.M.A.R.T. (Specific, Measurable, Attainable, Relevant, Timely) goals that positively impact our business, our own lives, our communities and the environment. We then closely monitor and measure progress on our goals. These goals are designed to make a positive impact on [People](#), [Planet](#), and [Prosperity](#), in topic areas that are most important to our business.

In 2018, here are some of our notable accomplishments:

- We outperformed the industry average Lost Time Incident Rate (LTIR).
- Our employees dedicated more than 16,000 volunteer hours to the communities in which we live and work.
- We achieved zero waste to landfill at 26 of our facilities.
- Through the foundation, we donated approximately \$1.6 million to our communities, with a significant portion of that funding health, wellness, education, and environmental initiatives.
- We maintained Wildlife Habitat Council (WHC) certification at 36 facilities and won two WHC awards.

Sustainable Development (SD) Pays

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

Our SD Pays Standardization Committee manages our measurement methodology, clearly outlining which types of projects create SD Pays, the SD expenses to include, and how to calculate the project value. This helps our business and stakeholders to clearly see how Sustainable Development at Covia drives monetary value creation.

We plan to establish a reporting baseline in 2019 and share our total SD Pays in future Corporate Responsibility reports.

Our SD Team’s Bold Goals for 2018 and 2019

SD Team	2018 High-Level Bold Goal	2018 Year-End Status	2019 High-Level Bold Goal
Best Practice	Implement 12 best practice productivity projects and achieve \$1,500,000 in SD Pays—including at least one project advancing local Air Quality.	Achieved 110% of goal	Implement 12 best practice productivity projects and achieve \$1,500,000 in SD Pays—including at least one project advancing Air Quality.
Business Innovation	Introduce 100 new ideas on IdeaScale® and generate \$8 million in incremental annualized revenue and/or cost saving.	Achieved	Move 150 ideas currently under review in IdeaScale® forward at least one stage and generate \$10 million in incremental annualized revenue and/or cost saving.
Clean Water	Partner with Safety Department on water testing and remediation and participate in four regional community outreach events with at least 10 volunteers.	Achieved 110% of goal	Establish unified rules and roles for the process of water testing in cooperation with the Safety and Environmental Departments and participate in 10 water-themed regional community outreach events with at least 5% participation from local employees.
Environmentally Responsible Products and Processes	Develop a new environmentally responsible product and process.	Achieved	Engage with at least three Industrial customers and one R&D partner with in-person meetings designed to explore solutions to pressing challenges and deepen relationships.
Empower U	Offer one course offering and one Learning Challenge, achieving participation of at least one hour of Empower U-sponsored course offering per employee.	Achieved 110% of goal	Offer one course offering and one Learning Challenge, achieving participation of at least one hour of Empower U-sponsored course offering per Covia employee.
Health and Wellness	Present an employee wellness award each quarter and achieve 15% participation in a yearlong wellness challenge.	Achieved 110% of goal	Achieve 20% participation in a six-month wellness challenge and launch one step challenge with at least 50% participation.

Quest for Eco-Efficiency	Sequester 100% of GHG emissions from 2017. Implement one conservation project per active region and one energy efficiency project. Implement at least two energy savings projects that achieve 0.5% reduction in GHG/kWh/MCF per ton produced at a facility.	Achieved 70% of goal	Team merged into Best Practices for 2019. Sequester 100% of GHG emissions from 2018 and generate at least two energy savings projects at every office, terminal, plant, and mine.
Recover, Recycle, Reuse	Organize a Recover, Recycle, Reuse competition with at least 75% of facility participation and complete site audits and improvement plans for all facilities.	Achieved	Partner with Environmental Department to develop a consistent waste stream audit procedure at each Covia facility and complete audits at all Covia locations.
Safety	Create and deliver Firearms Situation and Awareness ("Active Shooter") training to at least 50% of employees.	Achieved	Create and deliver Firearms Situation and Awareness ("Active Shooter") training to at least 50% of employees across all Covia facilities.
Social Responsibility	Achieve an average of 20 total volunteer hours (paid and personal) per employee.	Achieved 86% of goal	Achieve an average of 12 hours total volunteer hours (paid and personal) per Covia employee.
Sustainable Mobility	Sustain high railcar utilization rates, advance last mile logistics strategy, and develop a truck loadout optimization program.	Achieved 99% of goal	Sustain high railcar utilization rates and audit existing truck loadout processes; generate ideas to improve a minimum of three locations.

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



Integrated Framework

At Covia, our long-standing commitment to Sustainable Development is woven into all that we do—our mindset, structure, strategies, processes, and metrics. Sustainable business growth is a top priority, and that growth is supported and driven by our investments in people, innovation, efficiencies, and responsible business practices.

We use our assets and resources wisely—working to unleash their inherent value—benefiting our employees, our business, and our stakeholders. We understand our social, environmental, and economic impacts, risks, and opportunities, and we proactively work to address them. As we set our future Sustainable Development ambitions, we aim to lead the way to a better future. In 2019, we plan to develop a set of long-term SD goals that will be embedded into this integrated framework.

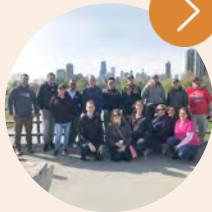




PEOPLE

Throughout fluctuating market conditions, Covia continues to invest in what we believe is key to a thriving business and community—People. We are committed to ensuring our employees work and arrive home safe and healthy after each shift. Our comprehensive compensation and benefits program, our appreciative culture, and the opportunities we provide our employees to develop new skills and participate in our Sustainable Development (SD) initiatives all make Covia a special place to work. We are committed to ethical business practices, making a positive impact in our communities, and raising standards across our industry and the markets we serve. Our **Clearly Covia** values and behaviors: **Safety First; Be Different; Deliver on Promise; and, Do Good. Do Well. Act. Responsibly.** extend to how we engage with those who handle, use, or are impacted by our products. We work with and educate suppliers, customers, and various community groups to elevate safe and sustainable practices.

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



HIGHLIGHT STORY

Weight Loss and Step Challenges Keep Employees Active Throughout the Year

The Health & Wellness Sustainable Development (SD) Team conducted two step challenges—Walk This May and STEPtember—that saw large participation numbers from Covia employees. Walk This May included four-person teams competing in a 31-day challenge garnering nearly 169 million collective steps. 552 employees participated with an average of 9,183 steps per employee, per day. STEPtember also utilized four-person teams competing in a four-week challenge, collecting nearly 110 million steps. 408 employees participated with an average of 9,562 steps per employee, per day.

The Team also conducted a weight loss challenge called The Healthy Weight Challenge. This was a new, 10-month challenge that was focused on the individual to help promote self-awareness and progress toward better health. The challenge was divided into two, five-month programs that saw 644 employees participate, and was successful in large part thanks to the hard work of our SD Coordinators and site contacts to keep track of employee progress and report out. The results of this challenge fed into our Welli Award nominations.

[View all highlight stories](#)



PEOPLE

Safety and Health

GRI 103-2, 103-3, 403-9 >

Safety First is a core value at Covia, and our dedication to safety extends to all who create, handle, distribute, and use our products. We take steps to ensure our employees are healthy and safe in the workplace and at home, our customers know how to responsibly handle and use our products, and our product formulations are safe when used properly.

Governance

Covia is committed to implementing, operating, and continuously improving our Safety and Health Management System (SHMS) to ensure a healthy and safe work environment. Our dedicated team of safety and health experts, who receive support from our Safety and Health and Wellness SD Teams, are located across all our operations. As part of our SHMS, we maintain policies and procedures that align with the Occupational Health and Safety Assessment Specification (OHSAS) 18001 and cover a wide range of topics, which include Mine Safety, Fall Protection, and Burner/Flame Safety, among others. We have a set of Lifesaving Rules as well as an Emergency Action Plan (EAP) that covers a wide range of situations.

Safety is embedded in everything we do, in the way we do business. We provide regular training on our safety policies and procedures, including annual emergency action drills. Our training program guides all employees to consider **Safety First**. New employees working in logistics and manufacturing receive a minimum of eight hours of onboarding safety training, and new employees in our mining operations receive a minimum of 24 hours of safety onboarding training. Every site operating procedure has numerous safety elements that are reviewed/updated at least annually. We provide additional safety orientation in the field, including task-based training, and require annual safety training for all operations employees. Employees who spend time in the field also complete annual safety refresher training. To fulfill legal requirements and promote safety, our safety and health resources customize safety training material to each location, ensuring the information provided is applicable and engaging. To reinforce the importance of safety, we begin most meetings, regardless of their nature, with a safety message, also called a “safety share.” To further encourage the adoption of our safety training material, we administer an incentive system in certain locations that rewards our employees for their commitment to safety training and safe work practices.

Covia has a set of five lifesaving rules:

- Safety Before Production;
- See It – Stop It – Report It;
- Separate People From Mobile Equipment;
- Lock Out – Tag Out – Try Out; and
- Manage Risks.

Training on these lifesaving rules is included in new employee induction and annual refresher training in order to ensure they are embedded within our culture. While our primary focus is on injury and illness prevention, when incidents do occur, we have a robust and systematic approach to determining primary contributing factors called ICAM (Incident Cause Analysis Method). ICAM is a system that focuses investigators on failed or missing defenses and organizational contributing factors, placing less emphasis on individuals or teams. Our behavioral approach to safety and health, called *Safety Starts with Me*, focuses on providing positive feedback when safe and healthy behaviors are observed. We feel that by positively reinforcing safe and healthy behaviors, they are more likely to be repeated.

Covia is vigilant in protecting our employees from potential respirable crystalline silica dust exposure. As a first line of defense, we rely on the hierarchy of controls to limit employee exposure to respirable crystalline silica. Protecting our employees is about minimizing their exposure to respirable crystalline silica. We regularly conduct dust exposure monitoring via both personal and general area sampling. Job positions or areas identified with elevated exposure, or even the potential for elevated exposure, are investigated and considered for actions to reduce exposures to within our internal exposure limit of 50 ug/m³. To reduce the likelihood of exposures exceeding our internal exposure limit, we use the probability of exceeding the limit. This approach enables us to predict when a job position or area might become problematic, enabling us to often take action before elevated exposures are experienced.

To ensure our employees stay well, we administer a robust medical surveillance program for all plant employees to help protect and reduce the risk of occupational disease like silicosis. This program includes biennial chest x-rays, pulmonary function tests, and medical fitness exams. We also require a representative sample of workers to wear exposure monitoring systems that collect respirable dust in order to quantify individual exposure in comparison to both legal and Covia's more stringent internal exposure limits. These efforts ensure we are doing as much as is reasonably possible to minimize the risk of employees developing silicosis.

At every Covia location we ensure there are personnel trained in first aid and CPR (including all shifts at our mine sites), and AED equipment is on site. Having trained personnel on site, in combination with AEDs, has resulted in multiple employees and contractors being "saved" after suffering a cardiac accident. Additionally, our "Bringing Safety Home" program encourages employees to keep their homes safe and to positively influence family and friends by sharing simple reminders about safety for daily living.

Our independent contractor safety program includes safety pre-qualification and training on hazard warning recognition and decreasing occupational risks. This includes site-specific training for all visitors to Covia sites, and additional education for contractors working on-site for extended periods of time.

Our customers and contractors share our high standards for safety. We hold our contractors to the same safety performance standards that we hold ourselves to, meeting the applicable federal, state, and local regulations. To ensure compliance with the Occupational Safety and Health Administration (OSHA) and the Mine Safety and Health Administration (MSHA) requirements, we continually update and provide Safety Data Sheets (SDSs) for all our products, which help our customers develop safety guidelines and proper handling procedures.

Performance

In 2018, Covia benchmarked the safety and health procedures across our legacy organizations and began developing unified best practice policies. As part of our continuous improvement efforts, we updated our traffic management plans to identify areas at risk of contact between equipment and people. We also began updating signage to symbols instead of written commands to help address language barriers. At certain locations, our employees complete the load out process so that drivers may stay in their trucks. We also continue to improve our predictive analysis, a core component of our Industrial Hygiene Program. By using historical data to predict the probability of high dust exposures, we can better prepare our employees to avoid any unnecessary exposure to potentially harmful dust and other contaminants.

In September, Covia held its first *Safety Day* focused on emergency response simulations. Across our organization, sites were highly creative in simulating various emergency situations such as falls from height, confined space rescues, and cardiac arrests. Many sites coordinated simulations with local emergency response personnel, including the landing of an air ambulance at one location.

OSHA recently reduced their permissible exposure limit (PEL) for silica by 50 percent, which may impact sand applications in other industries such as foundry, manufacturing, and construction. In June 2021, customers of our proppant products will also be required to control exposures to this more stringent limit. While this new standard applies now, engineering controls are not required until 2021. Our DST™ (Dust Suppression Technology) treated frac and industrial sands were developed to help customers comply with the new OSHA respirable silica standard. Testing, both in the lab and in the field, has repeatedly shown reductions in respirable crystalline of greater than 95 percent when comparing DST™ treated vs. untreated sand. In 2019, we will be collaborating with engineers from the National Institute for Occupational Safety and Health (NIOSH) in further evaluation of our DST™ products. Where we implement engineered dust control solutions, we target 50 percent of the permissible limits by design.

Three of our facilities achieved Gold level for the Rock Solid Safety Award given by the Illinois Association of Aggregate Producers: Elco, Tamm, and Wedron Silica. Achieving Gold—the highest level—means these facilities had no reported incidents, elevated actions, and a VPID (violations per inspection day) less than the national average.



HIGHLIGHT STORY

Covia Continues NIOSH Partnership to Improve Safety

Covia proudly continued our legacy organizations' long-standing partnership with the National Institute of Safety & Health (NIOSH) on Industrial Hygiene research. In 2018, NIOSH researchers accessed several of our mining facilities to conduct valuable research to further protect our workers and prevent work-related injury or illness. For example, research measuring the effectiveness of dust suppression hoppers showed an 88 percent reduction of fugitive dust emissions by using this technology. Based in part on this research, Covia installed dust suppression hoppers at several load-out facilities. Other research projects evaluated methods to minimize slips, trips and falls; conserve hearing; effectively sample air for various particle sizes; and minimize exposure to welding fumes.

[View all highlight stories](#)

Total Case Incident Rate (TCIR)*

	2018
Covia Employees	1.45
Industry	1.78

**Total Case Incident Rate (TCIR) – The number of reportable incidents multiplied by 200,000 divided by the number of work hours. Since Covia is MSHA-regulated, we use the most current, full-time reportable incident rate.*

Lost Time Incident Rate (LTIR)**

	2018
Covia Employees	0.43
Industry	1.30

***Lost Time Incident Rate (LTIR) – The number of lost time cases multiplied by 200,000 divided by the number of work hours. Since Covia is MSHA-regulated, we use the most current, full-time reportable incident rate.*

Opportunity

In 2019, we will implement updated safety and health policies across our organization. This includes rolling out a new procedure that makes it easier to differentiate Covia employees from non-employees, such as truck drivers, by issuing different colored, highly visibility personal protective equipment. We aim for our next Corporate Responsibility report to include recordable incident and lost time rates for contractors.



PEOPLE

Employer of Choice

GRI 103-2, 103-3, 404-2 >

Covia aspires to attract and retain top talent and believes in sharing the prosperity we generate with our employees. We aim to be an employer of choice by fostering a unique culture, encouraging engagement in Sustainable Development (SD), and providing employees with training and education, personal and career development, health and wellness programs, and employee benefits.

Governance

Since Covia's inception, our cultural aspirations have been clear—our two combined companies were guided by similar cultures. Our newly developed set of values—**Clearly Covia**—is comprised of four pillars: **Safety First; Be Different; Deliver on Promise; and, Do Good. Do Well. Act Responsibly.** The values and behaviors below demonstrate our pillars in practice, and guide our daily actions.



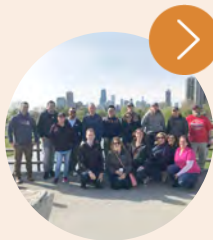
Covia offers competitive compensation packages, inclusive of comprehensive health care programs, and country-specific retirement savings plans. Through our Sustainable Development (SD) Teams, employees can contribute to the health and vitality of our people, Company, and communities. We encourage all employees to get involved in SD and invest in our communities.

We encourage employees to join one of our 10 Sustainable Development (SD) Teams, lead or co-lead an SD Team, or add an SD dimension to their daily job. Any employee can join an SD Team and help contribute ideas, conduct SD research, innovate new processes, or manage an SD-related project. SD involvement advances Clearly Covia and many employees find it to be personally fulfilling while developing new skills and advancing their careers. Engagement in SD Teams provides diverse learning experiences that add value to Covia, employees' lives, to the communities where we operate, and to the environment. Furthermore, our SD Advisory Committee allows executives and senior leaders to contribute their leadership skills to SD for several years, with membership changing over time.

Covia offers employees formal talent development programs and informal learning resources that support performance achievement on multiple levels. These programs align to the skill requirements and competencies associated with specific functional and leadership roles, and deliver consistent and timely content through classroom, virtual, and experiential learning. We utilize Individual Development Plans (IDPs) that serve as catalysts for strengthening employee leadership and career development opportunities.

We also encourage employee growth through voluntary education. Our Empower U Sustainable Development (SD) Team and various other SD Teams develop and deliver training on a wide range of desired topics. Employees can also access hundreds of Covia-recommended training courses via online learning platforms, such as Udemy.

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



HIGHLIGHT STORY

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[View all highlight stories](#)

Covia is committed to promoting diversity and inclusion (D&I) within our workforce, and retaining employees is a high priority. We strive for and support a diverse workforce as we firmly believe this lays the foundation of our success. Our compelling culture supports inclusion, individuality and respect within the workplace. We are committed to providing employment opportunities to the most qualified candidate based on work-related factors and without regard to non-work-related factors including race, color, religion, national origin, gender, sexual orientation, gender identity, gender expression, age, disability, or military service or reserve or veteran status. We gather informal and formal employee feedback to assess levels of engagement and identify opportunities for improvement.

Performance

We have launched our intranet, called Covia Connect, which includes more accessible information for our global workforce such as specific department information, HR information, Sustainable Development information, success or "wins" to celebrate, new employee recognition, and recognized international holidays and days of observance. Covia implemented core leadership development programs throughout our North American operations. In 2019, we will conduct an initial rollout of SD in Canada and Mexico.

The Empower U SD Team rolled out a learning challenge—Sandopoly; two new Udemy online courses; two new online learning platforms—TED Talks and Khan Academy; and, an ALICE Active Shooter two-part course (in partnership with the Safety SD Team). We also offered opportunities for employees to take courses at accredited institutions, and we plan to further expand our platforms to give employees access to as many learning opportunities as possible.

In 2018, Covia offered two scholarship programs to children of current, full-time employees – the Aspire Scholarship and Sustainable Development Scholarship.

The Aspire Scholarship was created with the purpose of providing funds to eligible employees' dependents for post-secondary education based primarily on financial need. Since its inception, we have been proud to support more than five students in their goal of pursuing higher education. Separately, the Sustainable Development Scholarship was established to provide financial assistance to eligible employees' dependents who are pursuing post-secondary education and demonstrate an elevated commitment and passion to Sustainable Development. Now in its twelfth year, Covia supported more than 10 students in varying degrees of financial support.

2018	
Employee Retention	86.22%*

**Number of full-time employees minus voluntary and involuntary terminations (does not include deceased or retirees) at the end of 2018 divided by the number of full-time employees at the beginning of the period—the formation of Covia in June 2018.*

Opportunity

Covia developed a new performance management program—Elevating Achievement Measurement Process—rolling out to employees in the first quarter of 2019. This process serves as an ongoing dialogue between leaders and teams, helping to drive a culture of formal and informal feedback and relationship development. Leaders will work with their employees to set annual objectives aligning with their functional role and learning content will be deployed through the learning management system according to job title. Leaders and employees will revisit the employee's objectives throughout the year and the process culminates in a formal achievement measurement discussion at year-end. This discussion will also include feedback on how employees demonstrated the Clearly Covia values and behaviors. In addition, we plan to expand the scope of our SD Teams Company-wide in 2019.

Career development through succession planning is key to helping identify leaders of the future. We plan to launch a succession planning process in 2019, which includes identification of high potential candidates for development and growth opportunities. We also plan to conduct an employee engagement survey in 2019 and follow up every 18 months going forward.

In 2019, our Human Resources team will develop a comprehensive diversity and inclusion (D&I) strategy to attract and retain women, minorities, veterans, LGBTQ+ individuals, and hiring applicants with criminal convictions. The program will include training on D&I related matters, recruitment outreach efforts, and development opportunities to engage and retain employees.



PEOPLE

Community Impacts and Partner of Choice

GRI 103-2, 103-3 >

Covia is dedicated to being a responsible corporate citizen and welcomed neighbor. We believe there is a difference between simply adhering to a permit, versus operating responsibly with a commitment to go beyond compliance. We actively address public interests early in the permitting process, engage in community dialogue, embrace transparency, and determine ways to meet our communities' needs. Being in good standing with the communities where we live and work enables us to recruit and retain talent as well as maintain our social license to operate. We include information about our management approach and commitment to Sustainable Development in our permit applications and are proud of being welcomed at permit hearings for new and renewed permits.

Governance

Covia maintains open lines of communication with local communities near our operations, and we customize community action plans to fit each community's unique needs. Our plant managers focus on community engagement, responding to inquiries, opportunities and concerns, and determining solutions. Regular communication occurs via open houses, public meetings, community reports and newsletters, telephone calls, local media, and community events. We welcome community members to open houses and site tours where we share our story and allow others to see how we operate. We evaluate local traffic patterns and aim to reduce traffic associated with our operations during peak hours, such as school or work rush hours. To lessen this impact, in some communities we collaborated with local governments (e.g. transit authorities) to build additional turning lanes in and out of facilities to enable safer merging. In addition, our [community investment](#) and [land reclamation](#) efforts demonstrate our commitment to supporting our neighbors and improving biodiversity.

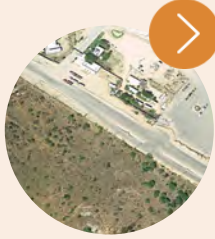
Covia monitors and adheres to all federal, state, and local regulations and permits that apply to our operations. We distinguish ourselves as a responsible operator by going beyond compliance for many regulations, especially those related to environmental management and the health and safety of our communities. We uphold required standards for [water use](#), [air quality](#), and [waste](#) monitoring and control at all our facilities. During blasting, our employees and contractors use seismographs to collect data on air and ground vibrations, which show we are consistently below state and local regulation standards. In addition, we manage noise and light pollution, to the best of our ability, within our operations and respond to public concerns through modifications that, to the extent possible, eliminate, reduce, or refocus disturbances.

Performance

Covia proactively monitored and managed our community impacts in 2018. This included continuing voluntary particulate monitoring around a number of our facilities. At our nepheline syenite facilities, we created detailed noise profiles of various mine activities (e.g., loading, hauling) and monitored the time of day various activities occurred. Using these findings, we plan to further reduce noise disturbances for the nearby community.

Covia continues to receive recognition for successfully managing impacts and going beyond compliance. For example, the Wisconsin Department of Natural Resources designated four of our mining sites as Green Tier certified. Green Tier is a program which recognizes companies "that voluntarily exceed legal requirements related to health, safety, and the environment, resulting in continuous improvement in the state's environment, economy, and quality of life." Covia also earned recognition by the Wisconsin Sustainable Business Council as a [Green Master](#). The program highlights companies that have demonstrated strong performance through sustainability initiatives. In Mexico, three locations received Clean Industry Certificates, demonstrating our compliance with all permits and efforts to go beyond regulation requirements.

In response to business and market conditions, we idled or closed several facilities in 2018. At each idled or closed location, we maintain our obligations, including, security, permits, land reclamation, and regulatory obligations.



HIGHLIGHT STORY

Covia Invests in Public Safety with Upgraded Roads

In the interest of safety for the traveling public as well as our employees and transportation partners, Covia paid to add turning lanes at two locations in 2018: Canoitas, Mexico, and Crane, Texas. At our Crane, Texas, mine, a left turn lane as well as acceleration and deceleration lanes were added. "Covia is dedicated to being both a leading producer of frac sand to the Permian Basin and a standard-bearer in safety, environmental stewardship, and community engagement," said Crane Plant Manager, Jordan Taylor. "As part of our plant construction, we identified the opportunity to upgrade a portion of road near our site entrance. These upgrades will improve the traffic pattern in the area and more importantly, provide for the safety of our neighbors through this portion of road."

Covia worked in collaboration with the Texas Department of Transportation and a local contractor to complete the upgrades with minimum impact to traffic patterns. Odessa District Engineer John Speed said, "It's an indicator of deep commitment to the safety of their employees and their neighbors...when a company is willing pay for [transportation improvements]. These road changes reduce the chances that accidents might occur around their facilities, so we're thrilled to have this kind of partner in transportation safety."

In Canoitas, Mexico, new lanes were added with the objective of improving safety. We also built a parking area for trucks (see photo) to avoid big lines of trucks outside our plant.

[View all highlight stories](#)

Opportunity

Covia holds itself responsible for protecting the well-being of our communities. In 2019, we plan to implement our site action management system and document our community action plans across all mines and plants, another way we **Do Good. Do Well. Act Responsibly.**



PEOPLE

Stakeholder Partnerships, Education, and Influence

Our **Clearly Covia** values and behaviors: **Safety First; Be Different; Deliver on Promise;** and, **Do Good. Do Well. Act. Responsibly.** will differentiate Covia. While we continuously raise our own standards, we also make it a point to share our expertise, successes, and best practices with our stakeholders. By collaborating with our stakeholders, we gain ideas and new opportunities for advancing Sustainable Development (SD). Our stakeholder engagement fosters strong relationships that ensure we can operate in an informed, efficient, sustainable, and profitable manner. By working together to raise standards, responsible practices, and transparency, we strengthen our industry for the long term.

Governance

Covia invests time in educating suppliers, customers, peers, partners, and other businesses on the adoption of sustainable practices. We host town halls open to the public and educational sessions for school children, colleges and universities, local clubs and businesses, government agencies, national associations, and conferences. We also educate investors about our commitment to Sustainable Development (SD) and its value. Each year we will publish our annual Corporate Responsibility report, which highlights data about our SD initiatives, including our return on investment statistics through our SD Pays measurement.

Covia participates in both regional and national industry associations to raise standards and increase adoption of responsible practices. For example, the Wisconsin Industrial Sand Association (WISA) is a statewide organization that promotes safe and environmentally sound sand mining standards, fact-based discussions, and positive dialogue among the industry, citizens, and government officials in Wisconsin. WISA requires all members to abide by a strict code of conduct with a commitment to leading in ethical ways that benefits society, the environment, and the economy. In addition, our facilities in Mexico have a longstanding membership with the Mexican Mining Chamber (CAMIMEX), the oldest industrial association in Mexico, to promote responsible mining. Covia works closely with the chamber, participating as a permanent member as well as chairing the Human Resources commission and participating in the Environment, Community Relationships, Legal, and Fiscal commissions.

We continuously inform our peers, suppliers, and customers about Covia's Sustainable Development practices to increase responsible behaviors and raise industry standards. For instance, we share our [Safety and Health](#) management practices to enhance the well-being of workers across our value chain. We publish white papers, give conference presentations, and serve on panel discussions. Furthermore, our third-party studies on air quality generate dialogue with regulatory agencies and peers to improve industry standards. Our intent is to reduce impacts, manage risks, and increase transparency.

Our dedication to integrity extends to our supply chain and will be formally outlined in our Supplier Code of Conduct, expected to be completed in 2019. Additionally, we plan to develop a mechanism to assess our suppliers for compliance and ethical conduct before establishing a formal relationship. Our internal and external stakeholders unite to uphold compliance and ethical behavior across our supply chain. We believe in generating shared success with our suppliers through fair and balanced agreements.

Our higher education partners work with us to develop our talent pipeline, as well as conduct industry research and product and process testing. For example, Covia's support of the Foundry Educational Foundation provides scholarships and funding for universities that prepare students for careers in the metal casting industry. With our technology partners, we develop as well as acquire and license intellectual property to improve the sustainability of product solutions. With our logistics partners, such as rail, truck, and barge, we develop new transportation solutions that help improve efficiency and reduce carbon emissions. Covia also works with governments at all levels to educate them on issues within the mining industry, partner on studies, share best practices, and help develop industry standards.

Partnering with our communities remains critical to Covia because we recognize that we impact their livelihood and well-being. We make a concerted effort to invest in and volunteer in the community and bring residents on site for tours and educational programming. For more information see the [Community Impacts](#) and [Community Investment](#) sections.

Performance

In 2018, the Company, through our foundation, supported the Foundry Educational Foundation through a contribution of \$20,000. This funding was allocated to the general operating fund, a College Industry Conference partnership and scholarship, and a contribution to the William E. Conway Scholarship Endowment. We awarded two Covia scholarships: a \$2,000 Covia Partnership scholarship to a student attending the University of Alabama and a \$2,500 William E. Conway scholarship to a student attending Trine University. Both students are seniors with plans to enter the Foundry and Metals Industry. The foundation also gave \$28,000 to sponsor scholarships for the University of Wisconsin-Eau Claire Geology Department and their Responsible Mining Initiative program.



We continue our engagement and support of various associations that support our markets and operations, which include the American Foundry Society (AFS), AFS Governmental Affairs (Silica Coalition), Industrial Minerals Association—North America (IMA-NA), National Industrial Sand Association (NISA), Wisconsin Industrial Sand Association (WISA), Illinois Association of Aggregate Producers, CAMIMEX (Mexican Mining Chamber), Georgia Mining Association, and Ontario Mining Association.

Furthermore, we provided tours and educational presentations for many stakeholders in 2018, which included:

- Elementary, high school, college, and university groups such as Gustavus Adolphus College
- Community groups such as the United Way, Habitat for Humanity, and Boys & Girls Club
- Membership organizations such as the Rotary and Kiwanis Clubs
- Affinity groups such as the Young African Leaders Institute at the University of Wisconsin-Stout



Opportunity

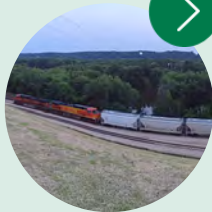
Covia will continue our commitment to maintaining transparent relationships and active partnerships with our key stakeholders. We also see opportunities to leverage our size, scale, and geographic footprint to improve sustainable practices across our industry and value chain.



PLANET

Covia's minerals and material solutions contribute to North America's energy independence as well as the use of natural gas—a cleaner fuel. Our Industrial customers span a mix of markets that contribute to a healthy planet. For instance, we provide raw materials to make windows and building products such as fiberglass, which increase the energy efficiency of buildings and homes. The minerals we mine also go into solar panels and water filters. While these product uses are noble, it is critical that we continually strive to produce products with minimal environmental impacts.

Throughout cycles, we remain good stewards of air, water, and land. We proactively work to maintain clean air; minimize our energy, fresh water, and land use; and, reduce our waste whenever possible. Our transportation strategies and investments incorporate advancements in energy efficiency. These are just some of the ways in which we **Do Good. Do Well. Act Responsibly**. To learn more about our environmental practices, we encourage you to read the various Planet sections.



HIGHLIGHT STORY

Origination/Destination (OD) Pairing Optimization Garner Significant Savings

In 2018, Covia realized significant freight savings—synergies—due to Origination/Destination “OD” pairing optimization. The combination of our two legacy companies created a logistics leader in North America for industrial minerals. For example, we are now supplying the Loving Aventine terminal in New Mexico from Wedron, Illinois, which is a BNSF-only haul. Previously, it was supplied primarily from a plant in another state requiring a two-line haul. The cost savings reflect shorter distances traveled by the product and therefore reduced energy consumption to get product to market.

[View all highlight stories](#)



PLANET

Air Quality

Covia understands that healthy employees, customers, and communities need clean air to thrive. We monitor fugitive dust and particulate and hazardous air emissions related to the mining, processing, and transportation of our products, especially respirable crystalline silica (RCS) dust. We protect air quality by establishing advanced control mechanisms, following safe handling practices, and monitoring air quality around select operations to keep **Safety First** for all stakeholders.

Governance

Covia manages potential fugitive silica sand dust and other air emissions through a hierarchy of control mechanisms. First, we prioritize identifying and controlling particulate emissions at the source through engineering controls such as wet scrubbers, dust collectors, dust suppression hoppers, and sealed transport (e.g., pneumatic trucks). Next, we look to administrative and process controls to limit emissions and exposures. Finally, we use personal protective equipment (PPE) as a last safeguard to keep our employees safe. We also administer a medical surveillance program for all plant employees to help protect and prevent occupational disease like silicosis. This program includes biennial chest x-rays, pulmonary function tests, and medical fitness exams.

Our engineering and operations departments collaborate to evaluate control technologies for regulated air pollutants. For example, our sand coating operations generate volatile organic compounds (VOCs), which we control by using high temperature oxidation or other controls; and our lime operation uses selective non-catalytic reduction to reduce nitrogen oxide (NOx) emissions. In addition, a multi-disciplinary working group meets quarterly to discuss progress on shared air quality goals.

During the permitting process for new facilities or the expansion of existing facilities, we assess our potential to emit regulated air pollutants. We design and install appropriate equipment for emissions that require control. Once in operation, we monitor equipment and when necessary, submit data for permit compliance.

Performance

In 2016, the Occupational Safety and Health Administration (OSHA) released a new occupational exposure limit to respirable crystalline silica (RCS) dust, with different aspects of the rule becoming effective for different industries over time. The new rule reduces the allowable personal exposure by 50 percent over an eight-hour, time-weighted average (TWA), taking it from approximately 100 to 50 $\mu\text{g}/\text{m}^3$ for our OSHA-regulated facilities. The Mine Safety and Health Administration's (MSHA) occupational exposure limit to RCS remains at approximately 100 $\mu\text{g}/\text{m}^3$ TWA. As industry leaders in this area, we will continue to maintain our occupational exposure limit of 50 $\mu\text{g}/\text{m}^3$ at all our sites.

We also developed a new industrial hygiene module within our enterprise-wide Site Action Management (SAM) system that will track all exposure data in addition to air quality, environmental, and safety-related data.



HIGHLIGHT STORY

Dust Control Improves Air Quality and Bottom Line

Our Tuscaloosa, Alabama, facility recently replaced the multi-cyclone dust control system on its sand dryer as part of a larger effort to maximize the overall efficiency of the dryer circuit. The multi-cyclone was replaced with a high-efficiency wet scrubber that resulted in an estimated overall particulate reduction of 90 tons per year. In addition to dust reduction, the new system runs more efficiently, thereby reducing the facility's energy costs and overall greenhouse gas (GHG) emissions.

[View all highlight stories](#)

We regularly collaborate on research projects with the National Institute for Occupational Safety and Health (NIOSH), and because of our work on analyzing airborne dust generation during loadout, we installed a dust suppression hopper at multiple facilities. The hopper limits fugitive dust while loading trucks and railcars, and we hope to install this equipment at more of our facilities in 2019.

In addition to controlling fugitive emissions within our operations, we monitor the air quality surrounding our operations to ensure the health and safety of our neighbors. In 2018, Covia continued to systematically collect physical monitoring data around nearby communities to detect fugitive emissions that may originate from our operations. This data also feeds analytical models that can help us predict how changes in various factors (e.g., weather patterns, operational activities) may affect air quality in the future.

Our DST™ dust suppression technology coats sand with an additive to help customers comply with the new OSHA respirable crystalline silica (RCS) rule. This engineering control can reduce worker exposure to RCS (when used properly) at customer locations, as well as our plant and terminal locations. DST™ also provides a lower cost alternative to engineered solutions (such as boxes). We are also collaborating with several Industrial customers on replacing silica with nepheline syenite in paint fillers, which benefits consumers by reducing the risk of respirable silica exposure and improving the paint's durability and ultraviolet (UV) protection.

Opportunity

We will continue to advance dust mitigation within our own operations and surrounding our operations. We will also continue to innovate our value-added products that control dust across our value chain.



PLANET

Energy and GHG Emissions

GRI 103-2, 103-3, 302-1, 302-3, 305-1, 305-2, 305-4 >

Mining is an energy-intensive business—electricity and natural gas account for nearly 30 percent of the cost to produce a ton of sand. Reducing energy and Greenhouse Gas (GHG) emissions is important to control our costs and help limit climate change. Therefore, Covia makes it a priority to manage energy consumption and GHG emissions as we seek to **Do Good. Do Well. Act Responsibly.**

Governance

Covia shares responsibility for managing energy use among our teams. Our plant managers track energy use at each of our facilities, and our Best Practices SD Team and engineering group conduct periodic audits to identify future improvement projects. We also regularly deploy our Operations Optimization Team to conduct an onsite, 12-week innovation boot camp, which includes a dedicated energy work stream — see the [Product and Process Innovation](#) section of this site for more information on the Bright Site Program (BSP).

Covia is committed to protecting the climate by monitoring and managing our GHG emissions. We collect Scope 1 and Scope 2 GHG emissions and energy use data at all mines and processing facilities, and we are in the process of unifying data management systems into a new enterprise resource planning (ERP) system.

Our procurement department works with plant management to secure fuel agreements that give us the flexibility to adjust to market conditions. This team also negotiates with local utilities on energy and emissions-savings projects, such as renewable energy purchase agreements.

Performance

Covia consistently looks for ways to decrease energy use in our operations. For example, drying sand and heating sand for resin coating are our two most energy-intensive processes. We optimize energy usage by installing heat exchangers and balancing temperature controls on dryers. For example, we realized nearly \$70,000 in annual savings by optimizing a single dryer in 2018. We also invest in process improvements that decrease maintenance, rental, and energy costs, which typically also reduce GHG emissions.

To sequester a portion of our GHG emissions, Covia funded the planting of over 81,000 trees in 2018. Our employees planted approximately five percent of the trees through our volunteer events, while Covia financed the planting of the remaining trees via third parties.

The data shown below represents our manufacturing facilities, not our terminal or administrative sites. We focus on energy consumption from our mines and processing facilities because it represents the vast majority of our use. In future reporting, with the help of our new enterprise resource planning (ERP) system, we plan to expand this reporting.

Fuel Use By Type

	2018
Electricity (GWh)	820
Coal/Lignite (kg)	62,684,324
Natural Gas (10 ³ cu.m.)	234,955,691
Oil/Diesel (10 ³ cu.m.)	52,631
Propane (gallons)	4,709,219

Energy Consumption & Intensity

	2018
Energy Consumption (GWh)	4,522.1
Energy Intensity (energy use in MWH/tons sold)	0.17

Scope 1 and 2 Emissions (Thousands of Metric Tons of CO2 Equivalents)

	2018
Direct Sources	1,063,907*
Indirect Sources	556,599
Total	1,631,086

Scope 1: Direct GHG emissions from owned or controlled sources.

Scope 2: Indirect GHG emissions from the generation of purchased electricity, heating, cooling, or steam.

**Provincial emissions values from stationary sources at our Nephton and Blue Mountain plants are removed from this number.*

Scope 1 and 2 GHG Emissions Intensity

	2018
Scope 1 and 2 GHG Emissions Intensity (metric tons/tons sold)	0.06

Opportunity

Covia remains committed to improving our energy and GHG emissions intensity, as well as sequestering a portion of our previous year's GHG emissions. To advance our progress, we will continue investing in more efficient equipment and exploring opportunities to increase our use of renewable energy sources through power purchase agreements.



PLANET

Land Management, Remediation, and Biodiversity

GRI 103-2, 103-3, 304-3 >

For Covia and our stakeholders to thrive, it is important that we effectively manage ecosystem health and community safety. As a leading provider of mineral-based material solutions with approximately 50 million tons of capacity in the US, Canada, and Mexico, our operations—like any mining company—impact the land we mine. Wildlife that exists in our local communities include bats, bees, birds, butterflies, fish, reptiles, other insects and mammals, and native plants. We aim to **Deliver on Promise** to restore disturbed land, and conduct our mining practices with respect and care for local species and ecosystems during mining operations and post-closure.

Governance

Covia obtains all required permits to operate our mines. During the approval process, we work with state and local regulatory agencies to develop land management and reclamation plans. These include site maps, managing overburden removal and mineral deposits, reclamation procedures, on-site audits, and financial assurance for the completion of site reclamation. When possible, we collaborate with stakeholders to restore land, wildlife habitats, and viable land uses at these locations.

In Canada, Covia operates on land under treaty with several First Nations, and in Mexico, we have facilities located near communities of indigenous peoples—groups protected by national or international legislation as having a set of specific rights based on their historical ties to an area. We communicate informally with these groups, and engage formally through the respective governments.

Covia actively works to conserve habitat areas through education, partnerships, and funding. We go beyond compliance for land management standards by participating in national and state environmental certification programs, such as the Wisconsin Department of Natural Resources (WDNR) Green Tier program, and international certification programs such as the Wildlife Habitat Council (WHC).

Even as Covia's mining activity fluctuates based on market conditions, we maintain our focus on operating responsibly. We work with state and local agencies and Tribal Nations to monitor and secure idled facilities, ensure permit compliance, and continue to foster positive relationships where our facilities are located, whether active or idled.

Performance

Covia's partnership with the Wildlife Habitat Council (WHC) extends nearly three decades. Through the WHC, we educate the community on topics such as the importance of pollinators, particularly bees, to our ecosystem. Our employees work with school groups to plant pollinator gardens and construct bee habitats in the communities where we operate. Covia also works with regional partners such as the Wisconsin Bat Program to protect species taking shelter in our mines. Across regions, we continue to plant trees, pollinator and vegetable gardens; build bird, duck, and bat houses; and more.

In 2018, Covia demonstrated our sustained commitment to responsible land management and the protection of biodiversity through the following certification for land management, reclamation, and biodiversity practices:

- Wildlife Habitat Council (WHC) "Conservation Certification" received at 36 Covia facilities – located in 22 states and provinces – including 11 Gold Certified sites
- WHC Caves and Subterranean Habitats Award and Species of Concern Project Award recognized our ongoing conservation efforts at our Bay City/Hager City, Wisconsin, underground mine
- Wisconsin Department of Natural Resources (WDNR) Green Tier certification awarded for Covia's robust environmental management system, our history of a good environmental record, and a willingness to exceed regulatory requirements at four of our Wisconsin mines: Hager City/Bay City, Maiden Rock, Menomonie, and Tunnel City
- Wisconsin Sustainable Business Council, Green Masters Award presented to two locations; this award only recognizes the top 20 percent of applicants
- Illinois Association of Aggregate Producers (IAAP), Environmental Excellence (Platinum Certificate of Achievement) awarded to Wedron, IL
- Clean Industry Certification is promoted by the Mexican federal government and is an evaluation of how a company voluntarily demonstrates compliance to all applicable environmental regulations. Our Ahuazotepec and Tlaxcala plants received Clean Industry Certification in 2018

Habitats protected or restored (acres)

	2018 Area Reclaimed	Total Area Reclaimed
United States Operations	74.4	2768.9
Canada Operations	0.0	38.1
Mexico Operations	25.0	316.5
Total Covia Operations	99.4	3123.5

**Data from 2018 Reclamation Liability Report*

Opportunity

In 2019, Covia hopes to complete our Facility Land and Information System Project, which started in 2018. This project will assess our combined operational footprint, including land owned, disturbed, restored, and other permitting obligations and reclamation liabilities. This plan will inform our land management and reclamation strategy and policies moving forward.



HIGHLIGHT STORY

Covia Stands Behind Ducks Unlimited (DU) with Gift

After a long and productive history of partnership, Covia has committed to support DU's work to advance wetlands conservation across North America over five years. Covia believes in the power of long-term partnerships built on integrity, reliability, and an innovation-solutions mindset to deliver shared success. This strong partnership is made even stronger with the alignment of our collective employee bases – Covia's employees across Canada, the United States, and Mexico align closely with DU's conservation landscape. This means Covia and DU will collectively and positively conserve more landscape, enhance more wetland environments, and educate more individuals and corporations on the importance of waterfowl habitats.

Ducks Unlimited is a nonprofit organization dedicated to conserving wetland and waterfowl habitats for more than 80 years. To learn more about DU and their important projects, please visit <http://www.ducks.org>.

[View all highlight stories](#)



PLANET

Transportation Logistics, Efficiency, and Emissions

GRI 103-2, 103-3 >

Covia's goal is to meet our customers' needs while moving full capacity loads as efficiently as possible. Transportation plays an important role in this goal as it can significantly impact timing and costs. Covia continually invests in our leading, comprehensive, and diversified logistics and distribution network. Our network accesses all major Class One railroads and extends into last-mile solutions. By managing and improving our logistics efficiency, we strengthen customer relationships, minimize costs, and reduce climate-related impacts from fuel consumption and emissions — helping us **Deliver on Promise** to our customers, shareholders, and communities.

Governance

Covia's logistics optimization model simulates planning scenarios and provides a comparison analysis of supply plans. This tool aids in both short-term, tactical planning and long-term, strategic planning, allowing us to build a transportation vision over the next five years. On a weekly basis, we use this tool to evaluate our order book, which allows us to make targeted adjustments to delivery plans and maximize the efficiency of our available operational capacity.

Covia transports the majority of our products by rail. Whenever possible, Covia uses unit trains to ship nonstop from origin to destination, thus saving fuel, time, and delivery cost. By loading railcars to full capacity, we reduce the number of railcars and shipments needed to transport our product. This reduces both transportation costs and carbon emissions. Our supply chain team and the Sustainable Mobility SD Team identifies methods to load railcars to maximum capacity. As we reach the point of maximum loading efficiency, we seek to maintain this level.

Additionally, we actively manage our transportation logistics in the following ways:

- Build strong relationships and communication with our transportation partners;
- Have full-time expeditors available 24 hours, seven days a week;
- Communicate daily with key logistics partners; and,
- Use efficient transportation of materials via conveyors between facilities when applicable.

Performance

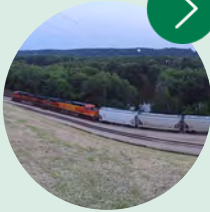
The formation of Covia established a leading distribution network in our industry. Our extensive network of plants and terminals enables us to cost-effectively deliver proppant to North America's oil and gas producing basins. Likewise, our industrial products network is positioned to meet the mineral, market, and geographic needs of a wide customer base producing such staples as glass, fiberglass, roofing and ceramics. The sales and operations function optimizes plant resources utilizing high tech software to ship products to all destinations.

Consistent with our commitment to exceed expectations, Covia added the ability to offer last-mile solutions, and deliver directly to well sites. The first shipments via last-mile partnerships are planned for deployment in the first quarter of 2019.

As demand for in-basin sand grew in West Texas and Oklahoma, Covia commissioned plants that added up to eight million tons of nameplate capacity; six million tons in West Texas and two million tons in Oklahoma when fully operational, positioning ourselves to serve customer demands for increased product volumes. We also made significant improvements in Truck Loadout Optimization (TLO) to reduce the time between a truck entering and exiting our property, which helps our customers and transportation partners operate more efficiently. Together, these competitive positions improve our efficiency and ability to meet customer needs.

	2018
Covia Volume Sold (millions of tons)	35.22*

**This is on a pro forma basis and excludes legacy Unimin's HPQ business*



HIGHLIGHT STORY

Origination/Destination (OD) Pairing Optimization Earns Significant Savings

In 2018, Covia realized significant freight savings—synergies—due to Origination/Destination “OD” pairing optimization. The combination of our two legacy companies created a logistics leader in North America for industrial minerals. For example, we are now supplying the Loving Aventine terminal in New Mexico from Wedron, Illinois, which is a BNSF-only haul. Previously, it was supplied primarily from a plant in another state requiring a two-line haul. The cost savings reflect shorter distances traveled by the product and therefore reduced energy consumption to get product to market.

[View all highlight stories](#)

Opportunity

Covia regularly evaluates our transportation network and destination terminals needed to best serve our customers. In coming years, we will continue to maintain high railcar utilization, optimize origin-destination pairs, expand last mile solutions, and focus on Truck Loadout Optimization (TLO)—increasing loadout and delivery efficiency. When it becomes economically viable, we will also consider incorporating liquefied or compressed natural gas into our truck vendor fleet.



HIGHLIGHT STORY

Kiosks Improve Truck Loadout Efficiency in Crane, Texas

Covia was proud to introduce a new kiosk system at our Crane, Texas, location. We have seen a gradual improvement in site times and truck loadout efficiency since we established this technology. The kiosks have allowed us to eliminate 90 percent of radio communication between our loadout team and truck drivers, as they can enter their data directly into the kiosk for the loadout operator to see what the driver needs. This alone has greatly improved efficiency and safety, as the kiosks reduce confusion during radio communication and help us plan for truck traffic volume. The kiosks have also enabled us to eliminate large quantities of manual data entry and hand-distributed bills of lading (BOLs). The process has developed into a 'hands-off' approach for deliveries in that the driver can collect their BOL at the exit kiosk and the sales data is immediately uploaded to IFS, our enterprise resource planning system.

We recently introduced a customer feedback system to help us collect data from drivers on their experience at our facility. This feedback mechanism gives drivers a voice and will allow us to address concerns and alert us to opportunities for improvement.

[View all highlight stories](#)



PLANET

Waste

GRI 103-2, 103-3 >

Covia is committed to decreasing mineral and operational waste throughout our production processes. Our primary mineral waste streams include off-spec minerals, mill rejects, mine waste, and overburden. Our primary operational waste streams include metal, wood, cardboard, machine fluids, and paper. Effective and safe waste handling helps us reduce landfill expenses, comply with permits, and keep nearby communities safe—showing once again how Covia drives business value as we **Do Good. Do Well. Act Responsibly.**

Governance

Covia annually reviews our mineral waste disposal plans that track and account for every ton of mineral waste generated across our mines. We leverage spatial software and contour maps to generate disposal plans for periods up to 10 years in advance. These plans are updated for all mine sites every one to two years to account for changes in overall plant yield, sales volume, and other unforeseen changes. Because waste-minerals, off-spec minerals, overburden, and tailings (mine waste) are typically used for backfilling mined-out areas, its placement is carefully integrated into the overall reclamation plan for the property.

For all sites with tailings ponds or impoundments (an earthen structure designed to contain fluid material), we maintain a rigorous and thorough inspection program that includes multiple detailed inspections each year by specially trained staff, and is overseen by our Mine Planning Geology (MPG) Department. Mining engineers are responsible for inspecting process water and tailings impoundments on an annual basis.

We are developing waste management plans to cover all other operational waste. These plans will establish proper handling, labeling, and disposal procedures for the relevant waste profiles at each location. Our first goal is to reduce, recycle, compost, and reuse our industrial by-products. Once the waste management plans are implemented, routine waste storage area inspections and training will be conducted by Operations.

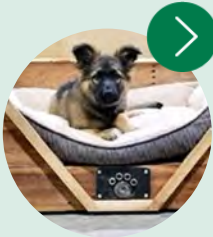
Covia ships the majority of our products via trains, trucks, or barges that require no packaging. To minimize our packaging waste, we order bulk supplies, and reuse and recycle packaging materials. We transport the remaining product using bulk packaging, some of which is recycled or reused. For example, we have a robust reusable closed loop packaging process for phenolic resin—flexible intermediate bulk containers (bulk bags). After inspection, these bags can be reused up to eight times.

We send scrap sand products for beneficial use where possible, including to landfills to be used for daily cover. Wood waste is sent to local businesses for recycling into mulch. In addition, we partner with waste-to-energy companies to manage non-compostable and non-recyclable waste. These services convert waste destined for landfill into fuel for steam-generated electricity.

Performance

In 2018, Covia focused on a unified approach to waste handling, storage, and disposal. This included developing and piloting waste management plans at three locations. We also unified our impoundment inspection policy and trained additional employees on how to properly inspect for erosion and other risks. We increased the use of drones to create topographic maps and volumetric estimates of tailings ponds, which improves the accuracy of monitoring and planning for mineral waste disposal. The use of drones creates great imagery and viewing of the area and its characteristics, including how the water drains on the site.

In addition, a number of our facilities have achieved zero operational waste, made possible through the efforts of our Recover, Recycle, Reuse (3R) SD Team, facility managers, and SD Coordinators. As of December 2018, 26 of our facilities achieved zero waste to landfill.



HIGHLIGHT STORY

3R Competition Promotes Recycling and Upcycling Materials

The Recover, Recycle, Reuse SD Team challenged Covia employees to create a usable or decorative item made only from recycled or upcycled materials found at their facility. Thirty-one facilities contributed submissions. The objective was to increase awareness about the importance of recycling and reusing materials to minimize our environmental footprint and preserve natural resources.

Voting took place to determine Most Resourceful, Most Creative, and Favorite. The items were available to bid on, with all proceeds from the online auction going to charities. Employees at the facility that created each item decided which charitable organization their dollars went toward.

[View all highlight stories](#)

Opportunity

In 2019, Covia will rollout mineral waste disposal policies and waste management plans across all our locations, which include training a local point of contact responsible for ongoing inspections and waste reporting. We plan to report on specific waste key performance indicators (KPIs) in our next Corporate Responsibility report.



PLANET

Water Use

GRI 103-2, 103-3, 306-5 >

Covia is committed to using water efficiently, ensuring our employees have access to clean water, and engaging in open dialogue with community members to alleviate water-related concerns. We rely on water in our operations for extracting, washing, processing, and dust control. By effectively managing our water use and discharge, we maximize efficiency and prevent business interruptions while protecting our communities and building positive stakeholder relationships.

Governance

Covia regularly monitors our water consumption and impacts on local water quality. Our Environmental Department develops surface water management plans for each site. The Environmental Department also works to ensure our facilities meet both permitting requirements and regulatory program requirements established by state and local regulatory agencies and the federal Clean Water Act. As part of our Enterprise Risk Management processes, all sites complete water risk assessments, which identify operational and regional risks and opportunities. Facilities maintain storm water pollution prevention plans and complete regular water testing, including third-party audits by each state's environmental regulatory program at a frequency dictated by each agency. Our Clean Water SD Team works toward ensuring access to potable water at all our locations, and coordinates volunteer activities with community partners such as waterway cleanups. Additionally, our operations and engineering teams consider potential water use when designing new facilities to ensure we are using water responsibly, implementing water recycling, and reuse when possible.



HIGHLIGHT STORY

Covia Opens New Plants with Water Recycling Systems

In 2018, Covia commissioned plants in a semi-arid region with growing development-related demand on regional aquifers. Our new facilities in Kermit and Crane, TX, employ water management systems, which allow us to repeatedly capture, clean, and recycle wastewater. Approximately 98 percent of the water is recycled at these locations. This design allows these sites to consume a fraction of fresh water compared to the total water processed through the system each day. While there is some recycling of water at most locations, we operate six high efficiency water recycling systems like the one at Kermit and Crane, Texas.

[View all highlight stories](#)

Performance

Covia tracks well water use at all facilities where it is required and when possible, we implement methods to recycle water. One method we use to recycle water is on-site basins and pumping systems that allow us to reuse sand and minerals processing water. At several sites, the basins also capture natural storm water and groundwater sources that we incorporate back into water recycling efforts—these indirect sources also make it challenging to accurately measure water recycling rates.

	2018
Water bodies affected by water discharges and/or runoff	0

Covia washes silts and clays from our sand and other minerals to make high-quality, finished products. The resulting water can be cloudy—measured in “turbidity.” We clarify this water for reuse or safe discharge through a settling process that separates out the solids and decreases turbidity in secure holding ponds. We discuss our security and reclamation efforts related to these ponds under [Land Management](#), [Reclamation](#), [Biodiversity](#).

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

In 2018, our Clean Water SD Team continued their work to ensure that Covia employees had access to potable water at each of our facilities. Further water testing and mitigation efforts will continue throughout 2019, supported by the Environmental and Safety Departments.

Opportunity

As we continue to operate in water scarce regions like West Texas and Mexico, Covia carefully considers groundwater access and use. Since the availability of permits to drill new wells or withdraw more water is often limited, responsible water management will be crucial to avoid disruptions and meet rising demand. Additionally, Covia continues to research ways to help our customers operate responsibly.



PROSPERITY

Our innovative spirit, unwavering commitment to Sustainable Development, and cost consciousness factors into our broad product suite of high-quality mineral and material solutions. When combined with our balanced and comprehensive distribution network, we deliver a strong value proposition to our customers. The prosperity we help generate is shared with our stakeholders—shareholders, employees, communities, suppliers, and customers.

We believe that following the triple bottom line—People, Planet, and Prosperity—is a key factor in driving our long-term success, making Covia the employer and partner of choice. Additionally, our **Clearly Covia** values and behaviors: **Safety First; Be Different; Deliver on Promise;** and, **Do Good. Do Well. Act Responsibly.** guide our business decisions every day.



HIGHLIGHT STORY

Covia Supports Cancer Care Excellence in Peterborough, Ontario, Canada

Peterborough Regional Healthcare Centre (PRHC) is benefiting from a \$100,000 donation, led by Covia's NSO Division and our employees at our Blue Mountain and Nephton facilities. The donation will support PRHC's Centre of Excellence for Cancer Care by supporting fast, accurate cancer screening, diagnosis, and treatment through investment in laboratory innovation. PRHC's healthcare professionals rely on the lab to determine and confirm 100 percent of cancer diagnoses and treatment decisions.

"Many of Covia's employees and their families have experienced the first-class care of this great community health care center," said Carl Horvat, Regional General Manager. "As our Company makes further investments to secure our long-term sustainability in the Peterborough, Ontario, region, we also want to help sustain important pillars of the communities in which our employees live and work."

[View all highlight stories](#)



PROSPERITY

Business Growth and Diversification

GRI 103-2, 103-3 >

Our geographic, product, and end-market diversity aid in creating a stable business with opportunities for growth, and our diverse product mix allows us to adapt to shifting market demand. Our Industrial business segment offers a resilient, profitable base and a stable cash flow through fluctuating Energy cycles. Thus, our Industrial business complements our more dynamic but well-positioned Energy segment. We are always evaluating strategic investments to plan for the future, and we expect to continue building strong customer relationships as we strive to be the supplier of choice.

Governance

Covia is actively managing our business growth and diversification through two key programs: operational excellence and commercial excellence. These programs include deployment of several tools that will help us capture both growth and diversification of our revenue streams. Regarding commercial excellence, we are using the Salesforce platform for customer relationship management to manage our customer segmentation and value proposition. This allows us to assess customer needs based on what is most important to them, rather than classifying customers based on size, volume, or industry. And, it helps us **Deliver on Promise** to provide our customers efficient and effective solutions. Regarding operational excellence, Covia is utilizing a new Enterprise Resource Planning (ERP) system that consolidates various systems into a new Information Systems Solutions (ISS) platform, which helps us optimize our production in our origin-destination pairings.

When we develop products to go to market, we ensure that we are developing with the goal of understanding the customer's perspective. Covia treats customer relationships as partnerships, working collaboratively to advance innovation and develop solutions that are tailored to our customers' specific issues and needs.

The combination of our two companies in 2018 provided Covia with a wider geographic and materials footprint, allowing us to leverage new cross-selling opportunities. Overall, we aim to be a solutions provider to our customers across their markets and geographies.

Covia also pursues growth through value-added products, which include DST™ (Dust Suppression Technology). Our DST™ treated frac and industrial sands are developed to help customers comply with the new OSHA respirable silica standard. This innovative sand product has a transparent coating that can reduce worker exposure to respirable crystalline silica when used properly. Our nepheline syenite product is used in a variety of applications in our ceramics, coatings, construction, and polymers markets.

Performance

Covia built two plants in the Permian Basin in 2018—one in Kermit, Texas, and the other in Crane, Texas. The plants are still ramping up, and should be at full production capacity in 2019. We also made an investment in Seiling, Oklahoma, targeting full capacity in 2019. Overall, Covia commissioned plants that added up to eight million tons of nameplate capacity; six million in West Texas and two million in Oklahoma. Covia is supporting the further expansion of our Canoitas, Mexico, plant and its glass container manufacturing operations. This expansion is expected to come online in late 2019.

When it comes to our Energy business, one key challenge is ensuring that our products are where our customers need them. Our Energy customers physically move about every three months as they progress through the production process, which differs from our Industrial customers. To better serve our customers who want last-mile services from their proppant provider, in 2018 we started offering this solution, and the first system will be operational in Q1 2019. This enables us to deliver directly to a well or blender from our terminals, and provides us an opportunity to have closer partnerships with our customers. We plan to connect our logistics software to this process to improve logistics efficiency.

Volume of Industrial and Energy Products (three-year trend)

	2016	2017	2018
Energy Volumes (millions of tons)	13,250	21,494	20,689
Energy Revenue (millions)	\$765	\$1,491	\$1,536
Industrial Volumes (millions of tons)	14,592	14,548	14,527
Industrial Revenue (millions)	\$745	\$764	\$784



HIGHLIGHT STORY

Nepheline Syenite a Leading Alternative to Silica Sand

Covia continues to gain market share by providing Nepheline Syenite as one of the leading fillers in architectural coatings, as an alternative to silica sand. This growth is projected to continue, driven by ever-tighter regulations, performance improvement vs. calcium carbonate, customer consolidation, and innovation. The current Polymers business is highly concentrated in Nepheline Syenite sales as an anti-blocking for plastic film, and further growth is expected to come from market share gains and geographical expansion.

[View all highlight stories](#)

Opportunity

Covia has several overarching goals for 2019 that should contribute to a strong future, including integrating our businesses, decreasing debt, diversifying and growing our Industrial portfolio, positioning our last-mile solutions in our Energy business, and advancing our technical leadership through our operational excellence and commercial excellence programs. Additionally, we aim to embed our **Clearly Covia** values and behaviors throughout the organization and invite employees to join SD Teams. Logistically, we expect to house all our legacy ERP systems into one system.



PROSPERITY

Capital Structure, Cost Control, ROI

GRI 103-2, 103-3, 201-1 >

Having a healthy balance sheet and access to capital positions Covia to invest in opportunities, manage risks, and attract long-term investors. Covia is a diverse and balanced organization with a strong ability to deliver total customer solutions. Our two complementary segments—Energy and Industrial—help to insulate the Company from Energy volatility, but with strong growth potential during Energy upcycles. Continuing to improve our capital structure, reduce our debt, and control our costs helps us **Deliver on Promise** to improve our financial strength and operational flexibility.

Governance

Covia employs a multi-faceted and multi-year strategic approach to improve our capital structure and control costs. Some of these steps in 2018 included reducing expenses by consolidating production into lower-cost plants and aligning our resources with market demand. Our board of directors reviews and approves all major capital expenditures.

During all cycles, Covia takes a disciplined and fiscally prudent approach to managing costs. Our size, scale, and distribution network allow us to maximize production at the lowest-cost facility and increase our bargaining power.

We continue to utilize unit trains to drive efficiencies in time, resources, and cost. Additional drivers of our growth and long-term financial stability include: having a diverse mix of **Energy and Industrial customers**; a **broad range of value-added products**; a **comprehensive distribution and logistics network**; and, a **positive reputation from our legacy companies**.

Performance

In 2018, Covia consolidated sand capacity into our largest, most efficient unit-train-capable facilities, and we commissioned three, in-basin plants with a combined eight million tons of nameplate capacity. We idled or reduced capacity at several mines as part of these efforts to reposition capacity and control costs. Our Industrial business delivered solid results and provided stable cash flows.



HIGHLIGHT STORY

Surfactant Smooths Adoption of Resin-Coated Sand

Covia recently identified a powerful new surfactant that improves the performance of resin-coated sand at a lower cost. This chemistry more effectively wets our resin-coated sand, which also improves flowability, and was implemented at all resin-coating facilities. These characteristics offer numerous benefits, including:

- Less material build-up on equipment;
- More efficient delivery and pumping;
- Stability at room temperature; and,
- Elimination of a post-treatment step.

Together, this improves the value of our resin-coated sands, increasing growth potential.

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2018 Revenue

	2018
GAAP Revenue	\$1.8 B
Pro Forma Combined Revenue	\$2.3 B

Please see [press release](#) for reconciliation from GAAP to Pro Forma.

Opportunity

Consistent with the Company's strategy, Covia will focus on net debt reduction in 2019. We expect to complete a targeted investment to expand our Industrial capacity in Mexico to serve increasing demand for container glass. At the same time, we will drive significant focus on reducing operating costs and capital spending to increase the Company's cash flow.



PROSPERITY

Community Investment

GRI 103-2, 103-3, 201-1 >

Covia believes that when our communities thrive, everyone benefits. Our Company and employees make a powerful impact on the communities where we live and work by investing time, talent, and treasure. Our commitment to **Do Good. Do Well. Act Responsibly.** encompasses helping to improve the health, wellness, and quality of life for community members where we operate; advancing education among students and local businesses; and, enabling local wildlife to flourish.

Governance

In 2018, Covia's legacy organizations continued to govern their respective community investment decisions in accordance with existing policies. Moving forward we will unify our approach and policies related to community giving and volunteering.

Each legacy Company has a long history of community involvement and being a welcomed corporate neighbor. Each facility oversees the appropriation of community involvement and donations. Examples of local initiatives our facilities fund include:

- Aiding local schools in a variety of ways, including packing food for students in need, updating school facilities, and providing supplies and new technology
- Upgrading parks, playgrounds, and other public spaces
- Restoring public lands such as waterways, prairies, and other natural habitats
- Improving local infrastructure such as roads and utilities
- Supporting emergency services such as local fire departments and hospitals
- Updating the facilities of organizations that help vulnerable populations within our communities

In addition to donating direct funding, we also fund paid volunteer hours for our Covia employees. Through a combination of paid and unpaid volunteer hours, our employees contribute a significant amount of their time helping others within our communities. Examples of volunteer projects included:

- Participating in and contributing to disaster relief efforts
- Volunteering at local homeless shelters and food banks
- Hosting events for veterans
- Participating in Adopt-a-Team programs and sponsoring foster children by donating needed items throughout the year and gifts during the holidays
- Volunteering at local chapters of the Special Olympics
- Supporting schools serving children of low income households
- Hosting Week-of-Caring events across our facilities
- Organizing Earth Week events for local school children
- Supporting and participating in Habitat for Humanity projects
- Community clean-up days and Adopt-a-Highway
- Ecosystem improvements such as river cleanups, native plant gardens, local wildlife habitat protection, tree planting, and more

Performance

We are proud to report that in 2018 Covia, through the foundation, donated approximately \$1.6 million to our local communities. Covia also entered a unique partnership with Ducks Unlimited (DU)—a nonprofit organization dedicated to conserving wetland and waterfowl habitats for more than 80 years—and has committed to support DU's work across North America over five years. This long-term partnership is further proof of our commitment to responsible [Land Management](#), [Reclamation](#), and [Biodiversity](#) in Canada, Mexico, and the United States.

Once our community giving programs are combined, we will closely track and report total giving and volunteer hours in future years.



HIGHLIGHT STORY

Covia Supports Cancer Care Excellence in Peterborough, Ontario, Canada

Peterborough Regional Healthcare Centre (PRHC) is benefiting from a \$100,000 donation, led by Covia's NSO Division and our employees at our Blue Mountain and Nephton facilities. The donation will support PRHC's Centre of Excellence for Cancer Care by supporting fast, accurate cancer screening, diagnosis, and treatment through investment in laboratory innovation. PRHC's healthcare professionals rely on the lab to determine and confirm 100 percent of cancer diagnoses and treatment decisions.

"Many of Covia's employees and their families have experienced the first-class care of this great community health care center," said Carl Horvat, Regional General Manager. "As our Company makes further investments to secure our long-term sustainability in the Peterborough, Ontario, region, we also want to help sustain important pillars of the communities in which our employees live and work."

[View all highlight stories](#)



HIGHLIGHT STORY

Covia Strengthens Local Communities in Mexico

Our operations in Mexico continue to improve the living conditions and well-being of the nearby communities. For example, employees at our Jaltipan plant promote local female empowerment and economic development by facilitating free classes on entrepreneurship, which are open to the nearby community. Employees at our Lampazos plant donated essential medical supplies to a local health clinic that supports the most vulnerable members of society. Employees across Mexico also regularly volunteer to maintain community baseball and soccer fields, which serve as a place to exercise and socialize.

[View all highlight stories](#)



HIGHLIGHT STORY

Terminals Add a Key Spoke to Wheel of Community Outreach

Our expansive network of terminals across the United States and Canada play an active role in their communities. In 2018, Terminal employees planted trees, cleaned parks, and sponsored community events. Several terminals also supported [Together We Rise](#), a non-profit dedicated to improving the lives of children in foster care by assembling and donating more than 100 bicycles. Similar to the spokes of a wheel, each terminal plays a role in the success of our overall community investment strategy.

[View all highlight stories](#)

Opportunity

Moving forward, Covia will unify our approach and policies related to community giving and volunteering across our enterprise. We aim to maintain matching gifts and paid volunteer benefits, which contribute to making Covia an Employer of Choice.



PROSPERITY

Compliance and Ethical Behavior

GRI 102-16 >

Ethics unite Covia in our vision for sustainability. Our commitment to **Do Good. Do Well. Act Responsibly.** forms the foundation of our compliance and ethics program. We empower and expect our employees to make ethical decisions throughout their work, which helps us **Deliver on Promise** to meet or exceed local, state, and federal regulations.

Governance

Covia's commitment to ethics begins with our executive management team. They lead by demonstrating principle-centered leadership and inspire adherence to all applicable rules and regulations. We strive to do things right and to do the right things. Our executive management team advances our compliance and ethics program, which includes comprehensive policies, procedures and controls, training and communication, observation and analysis, and evaluation and improvement. Our legal department develops and administers the compliance and ethics program, and in conjunction with other functional areas, assists management with compliance, risk management, and internal control evaluations.

Our [Corporate Code of Business Conduct and Ethics](#) is the foundation of our compliance and ethics program. The Code drives our business conduct so that we **Do Good. Do Well. Act Responsibly.** in all decisions. The Code covers topics such as:

- Avoiding potential conflicts of interest
- Ensuring fair business and trade practices
- Protecting confidential information
- Properly using Company assets
- Guarding against workplace sexual harassment

We expect all employees to take ownership of compliance and ethics, and perform all job-related tasks with honesty and integrity. Employees are required to show the utmost respect for Covia, their peers, the environment, and the communities in which we operate. Further, our governance policies clearly define what we expect of our people and our business partners. They set forth written standards for behavior, including:

- Anti-Corruption Policy
- Corporate Code of Business Conduct and Ethics
- Corporate Governance Guidelines
- Delegation of Authority
- Financial Code of Ethics
- Insider Trading Policy
- Policy for Employee Concern Procedures for Accounting and Compliance Matters
- Public Disclosure Policy
- Related Party Transactions Policy
- Social Media Policy

Covia strictly prohibits and adopts a zero-tolerance policy for all forms of harassment based upon a person's race, color, gender, religion, age, national origin, citizenship status, military service or reserve or veteran status, sexual orientation, gender identity, gender expression, or disability.

Covia provides access to a confidential, anonymous hotline for reporting questionable accounting and compliance matters through <http://www.openboard.info/CVIA/> or 855-216-2954. The whistleblower hotline can be reached 24 hours a day, seven days a week. The hotline accepts messages in two ways: voicemail and web interface, and an employee only need to leave one message as both methods deliver your message anonymously and confidentially. Further, the hotline is available to all stakeholders, or others, who might have concerns regarding Covia's business practices.

As Covia strengthens our foundation for future growth, we hold ourselves accountable for maintaining high ethical standards. We continuously make enhancements to our corporate compliance program. For example, we recently approved and implemented an updated Delegation of Authority policy shortly after the combination. This policy establishes the appropriate internal control procedures for reviewing and obtaining the necessary approval of transactions, agreements, and commitments that bind Covia and the decisions that expose our Company to risk. The primary objectives of this Delegation of Authority are to provide the appropriate level of responsibility and accountability, and establish review levels and dollar amount thresholds that make sense given Covia's current organizational structure and business processes.

Performance

In 2018, we updated our Code of Business Conduct and our Anti-Corruption policies. We have assembled a cross-functional internal team to assess all policies and procedures from our legacy companies, with a plan to complete this review and updates in 2019.

Opportunity

In 2019, we plan to continue providing ethics and compliance training to employees and will look for ways to expand this training for employees without regular access to technology. This reflects Covia's continued commitment to **Do Good. Do Well. Act Responsibly.**



Product and Process Innovation

GRI 103-2, 103-3 >

Product and process technology plays a key role in making Covia a partner of choice for our customers. Our R&D, Operations Optimization, and Sustainable Development Teams, in partnership with our employees, create innovative, industry-leading solutions. We focus our innovation efforts on developing differentiated products and technologies that offer a strong value proposition. Aligned with our commitment to Sustainable Development, we aim to **Do Good. Do Well. Act Responsibly.** by reducing dust, emissions, water, energy, fuel, and waste from our operations. We aim to **Deliver on Promise** to ensure safer product handling, conserve resources, and improve operating efficiency.

Governance

Product and process innovation is critical to meeting ever-evolving market needs as well as retaining market leadership. Our R&D team investigates value-added products that improve dust control, decrease chemical and water use, and increase up-time and productivity. We serve a wide variety of end markets for our Industrial customers and translate customer insights into solutions, helping make us a preferred supplier.

Covia's operations distribute a quarterly Continuous Improvement Process (CIP) project update report. We define continuous improvement and innovation broadly as a novel match between a need and a solution that creates value. The novelty may be in the need or the solution. During the brainstorming or ideation process each contributor must define how value creation relates to their workplace, team, or individual application. This value proposition may be focused on safer operating conditions, cost reduction, more efficient production processes, new product development, existing product improvement, environmental impact mitigation, improved stakeholder engagement, etc. By crowdsourcing and distributing ideas in this manner, we have successfully created an idea generation and cross pollination process that supplies a robust innovation pipeline and builds bridges across silos. Further, this process provides new and different value-added solutions to many of Covia's operational needs across the entire enterprise.

In addition to our R&D team and CIP project update reports, we collect ideas from a variety of internal and external stakeholders in IdeaScale®—an Open Innovation Management platform available to employees to submit and collaborate on new ideas. Business leaders meet regularly to evaluate ideas for potential return on investment for our customers, stakeholders, and business. If selected, ideas move through a five-step Stage Gate process, which determines feasibility, investigates patent and trade secret protections, validates the desired impact, and leads to commercialization of value-added products or process innovations.

Our Bright Site Program follows an accelerated Stage Gate process to identify and design solutions that improve our existing operations. These solutions range from small projects executed quickly by the facility, to large capital investments that must go through our formal Stage Gate process. As part of our Bright Site Program, we regularly deploy our Operations Optimization team to conduct onsite, 12-week innovation boot camps, which cover the following work streams:

- Productivity
- Lean Operations
- Maintenance
- Energy

Performance

In 2018, Covia once again demonstrated our Sustainable Development mindset—**Do Good. Do Well. Act Responsibly.**— by innovating in ways that improve the value and environmental impacts of our products and processes to better serve our customers.

Our 2018 product and process innovations include:

- Investing in lower-cost, resin-coated proppants that maintain robust performance for proppant flowback resistance
- Commercializing our DST™ dust suppression technology. DST™ treated frac and industrial sands are developed to help customers comply with the new OSHA respirable silica standard. This innovative sand product has a transparent coating that can reduce worker exposure to respirable crystalline silica when used properly.
- Reducing free phenol in our resole and novolac resins
- Installing dust suppression hoppers as part of ongoing collaborative research projects with National Institute of Occupational Safety and Health (NIOSH)
- Replacing diesel engines with electric motors where feasible, which reduces Greenhouse Gas (GHG) emissions and maintenance, rental, and energy costs
- Optimizing dryers and pumps to reduce natural gas and electricity use
- Installing a [wet screening process](#) that significantly reduces dust emissions and energy consumption

We collected over 190 ideas through IdeaScale® in 2018. Of these ideas, 23 progressed from the ideation to the feasibility-testing phase, 15 made it to the development stage, and 11 made it through to the success stage.

	2018
Patent Applications Filed	19
Patents Issued	7

	2018
Bright Site Programs Completed	4



HIGHLIGHT STORY

Covia Recognized as a Leading Innovator

IdeaScale®, the leading crowdsourcing and innovation software provider, announced the final winners of its Innovation Management Awards Competition and recognized Covia as the winner in the category of Best Innovation Process. This competition category recognizes the IdeaScale® community that detailed the most creative and impressive workflow for progressing ideas from the point of inspiration to execution. In this case, Covia was able to demonstrate the effective elevation of ideas by applying their own proprietary algorithm to the process.

"What I find most impressive about Covia," said Rob Hoehn, CEO and Co-Founder of IdeaScale® "was how organized their program is. It's companies like Covia that will repeatedly be able to deliver results, because they bring the experts in when necessary and just ensure that ideas aren't left behind in the meantime." Since program launch, Covia has gathered ideas that generate value in both top-line revenue growth and savings from operational efficiency.

[View all highlight stories](#)

Opportunity

In 2019, our largest sand mine, located in Wedron, IL, will host our Operations Optimization team for the Bright Site Program. We will also roll out IdeaScale® and the Stage Gate process enterprise-wide.



Product Supply and Demand Dynamics

GRI 103-2, 103-3 >

While the Industrial markets we serve historically show stable and steady growth, the Energy markets experience dynamic cycles in demand and supply. Over the last 30 years, we have seen and managed through many downturns in oil prices. By effectively monitoring and forecasting supply and demand, Covia positions itself to adjust resources as markets fluctuate. Combined with the strength of our employees, stakeholder relationships, and commitment to Sustainable Development, our approach differentiates us as a partner of choice and helps us **Deliver on Promise** to our Energy and Industrial customers.

Governance

With 44 mines with 50 million tons production capacity and six coating facilities with two million tons coating capacity, Covia is among the leaders in the mineral and materials industry in both size and scale. Our Sales & Operations Planning (S&OP) team forecasts demand for Energy and Industrial markets, and leverages their cross-functional expertise to manage supply and demand dynamics across Covia.

Covia maintains a diversified product and market mix to minimize earnings volatility. We provide sand-based proppants and other solutions to the oil and gas sector and mineral-based material solutions to several Industrial markets in the US, Canada, and Mexico. We consider a range of macro factors (e.g., GDP), industry outlooks (e.g., American Foundry Society), and market indicators (e.g., housing starts) to assess variations in these markets. We manage through market cycles by leveraging several capabilities inherent in our DNA:

- Understanding what drives the market, with a strong focus on customer needs
- Driving efficiencies throughout the business
- Aligning production to the most cost-effective footprint, and leveraging our sales and operations planning process to match our capacity to meet demand
- Refining and optimizing our terminal network
- Optimizing shared logistics across all business segments to deliver the best service and lowest cost for our Energy and Industrial customers
- Retaining appropriate expertise and leadership to manage the business through market cycles
- Selectively investing to position our business for the future
- Investing in new products to continuously meet our customers' evolving needs regardless of market conditions

Performance

In 2018, Covia commissioned eight million tons of annual nameplate capacity in West Texas and Oklahoma, positioning us to meet increasing customer demand for local sand in the Energy market. However, overall proppant supply outpaced demand, which placed considerable pricing pressure on the Energy market in the latter half of 2018. Our relationships, logistics, wide product portfolio, customer service, and product quality helped us maintain market share through these challenging conditions. We continued to strengthen trust with our customers, local market knowledge, and our forecasting capabilities by positioning employees in key Energy markets to monitor local market factors.

Our Industrial business remained stable despite some new entrants attempting to divert excess proppant capacity into this market. Once again, Covia's strong relationships and industry expertise helped us maintain our long-term Industrial business, with the majority of our largest Industrial clients under contract.

Opportunity

Covia's expansion opportunities in 2019 include the Canoitas, Mexico, facility. We will invest in meeting demand in growing Industrial markets, such as container glass in Mexico. We will right size our network—ensuring we have the right product, right facility, right rail, right play, and right origin-destination pairs to efficiently meet demand.



PROSPERITY

Product Quality

GRI 103-2, 103-3 >

Covia creates high-quality, safe, and effective mineral and material solutions that serve a broad mix of Energy and Industrial markets. Our customer promise is to deliver quality products, on time, and with exceptional customer service. We **Deliver on Promise** by maintaining industry-leading quality that meets our customers' expectations for performance, delivery, and value.

Governance

Quality is a way of working at Covia. All Covia leaders are responsible for quality. We have quality champions at all locations who report on and have responsibility for quality at each of our facilities. Quality managers and lab technicians assist plant managers in implementing quality practices throughout all levels of our business. Our Quality Improvement Program (QIP), which aligns with leading quality standards such as ISO 9001-2015, guides operations management in their execution of quality responsibilities. The director of Continuous Improvement Services (CIS) deploys, administers, and audits the QIP. Senior operations management also complete regular ISO-based Quality Management System (QMS) reviews, which includes a risk assessment process.

Covia conducts quality testing for all products several times throughout the production process—taking initial samples from mining, during processing, and before loading material for transportation. Ongoing quality control occurs on-site at each plant and quality assurance takes place at the Covia Analytical Services Laboratory in Ottawa, IL. Our Mine Planning Process creates a five-year mine plan based on robust geological surveys, which drill and test samples to model the long-term composition of mineral deposits. These processes allow Covia to take proactive steps to manage both short-term and long-term quality. Our strict sampling protocols ensure consistent and reliable products for our customers.

Additionally, 100 percent of our production facilities undergo regular quality audits. Our trained internal auditors conduct assessments at least once every three years at each facility. Each ISO 9001 certified facility completes an external third-party accredited audit once a year. Our customers also request on-site or paper audits, which we use to demonstrate our excellent quality management systems.

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

- Invested in terminals to enable us to directly supervise product handling
- Transitioned many deliveries from system railcars to private railcars, reducing the risk of contamination from previous shipments
- Increased shipments in sealed railcars that prevent weather and other environmental factors from impacting product quality
- Partnered with our suppliers to improve packaging durability
- Implemented railcar inspection and clean truck certification on all shipments

As a final step to verify our quality controls are properly working, we track customer complaints in our customer relationship management (CRM) software and through an annual online survey.

Performance

To comply with market and customer requirements, seven of our locations maintain ISO 9001-2015 certification. About one-fourth of our customers responded to our annual customer survey, which evaluates our performance on order placement, delivery, quality, service, and packaging. We maintained approximately 99 percent in overall customer satisfaction, when comparing the number of complaints to number of orders shipped.

In 2018, all locations established a Routine Sample Analysis QA process conducted by the Covia Analytical Services Laboratory. Our Analytical Services team also completed 10 plant lab audits.



HIGHLIGHT STORY

Congratulations to the 2018 Lean Six Sigma Class

Lean Six Sigma is a continuous improvement, problem-solving, and business process optimization methodology that delivers great results on Covia's toughest challenges. Across Covia, 23 employees received certifications as either Champion, Yellow Belt, Green Belt, or Black Belt in 2018.

A completed project is required to fulfill the certification requirements. The project teams, led by the Black Belt candidates, meet for 10 to 15 percent of their work time between the class sessions to follow the Lean Six Sigma project protocol. The teams are currently working on projects that aim to yield annual savings or revenue increases.

[View all highlight stories](#)

Opportunity

In 2019, Covia will drill and test additional mine reserves with the goal to include geological models in five-year mine plans across our enterprise. As we unify our quality management systems across our combined operations, we will reevaluate our key performance indicators and long-term goals related to product quality and customer satisfaction.



Performance Snapshot

GENERAL DISCLOSURES

ORGANIZATIONAL PROFILE			FY2018
Number of Full-Time Employees			3,384
Domestic			2,546
International			838
% of Women in Workforce			26%
% Minorities in Workforce			29%
% Employees Unionized			34%
Employees by Ethnicity		Number	Percentage
White		2,406	71%
Hispanic/Latino		777	23%
Black/African American		113	3%
American Indian/Native Alaskan		23	<1%
Asian		47	>1%
Two or More Races		18	<1%

ECONOMIC DISCLOSURES

CAPITAL STRUCTURE, COST CONTROL, ROI		FY2018
GAAP Revenue		\$1.8 Billion
Pro Forma Combined Revenue		\$2.3 Billion

BUSINESS GROWTH & DIVERSIFICATION		FY2016	FY2017	FY2018
Energy Volumes (Thousands of Tons)		13,250	21,494	20,689
Energy Revenues (Millions)		\$765	\$1,491	\$1,536
Industrial Volumes (Thousands of Tons)		14,592	14,548	14,527
Industrial Revenues (Millions)		\$745	\$764	\$784

PRODUCT & PROCESS INNOVATION		FY2018
Patent Applications Filed		19
Patents Granted		7
Bright Site Programs Completed		4

PRODUCT QUALITY		FY2018
Customer Satisfaction		99%

COMMUNITY INVOLVEMENT		FY2018
Covia Community Donations		>\$1.6 Million
Employee Volunteer Hours		>16,000

ENVIRONMENTAL DISCLOSURES

AIR QUALITY		FY2018
Percentage of facilities complying with Occupational Safety and Health Administration (OSHA) occupational exposure limit of respirable crystalline silica (RCS) dust of 50 ug/m3		100%

WATER		FY2018
Sources significantly affected by the withdrawal of water		0%



LAND MANAGEMENT, RECLAMATION, BIODIVERSITY FY2018

Habitats Restored	2018 Area Reclaimed (acres)	Total Area Reclaimed (acres)
United States Operations	74	2,769
Canada Operations	0	38
Mexico Operations	25	317
Total Covia Operations	99	3,124

ENERGY & GREENHOUSE GAS (GHG) EMISSIONS FY2018

Fuel Use by Type	
Electricity (GWh)	820
Coal/Lignite (kg)	62,684,324
Natural Gas (103 cu.m.)	234,955,691
Oil/Diesel (103 cu.m.)	52,631
Propane (gallons)	4,709,219
Energy Consumption (GWh)	4,522.1
Energy Intensity (energy use in MWh/tons sold)	0.17
Scope 1 and 2 Emissions (Thousands of Metric Tons of CO ₂ Equivalents)	
Direct Sources	1,063,907*
Indirect Sources	556,599
Total Scope 1 and Scope 2 Emissions	1,631,086
Scope 1 and 2 Emissions Intensity (metric tons/tons sold)	0.06

WASTE FY2018

Number of Zero-Waste Facilities	26
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SOCIAL DISCLOSURES

SAFETY FY2018

Lost Time Incident Rate (LTIR)**	
Covia Employees	1.45
Industry	1.78
Total Case Incident Rate (TCIR)***	
Covia Employees	0.43
Industry	1.30
Fatalities – Employees	0
Facilities – Contractors	0
Total Fatalities	0

EMPLOYER OF CHOICE FY2018

Retention****	86%
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*Provincial emissions values from stationary sources at our Nepton and Blue Mountain plants are removed from this number.

**Lost Time Incident Rate (LTIR) – The number of lost time cases multiplied by 200,000 divided by the number of work hours. Since Covia is MSHA-regulated, we use the most current, full-time reportable incident rate.

***Total Case Incident Rate (TCIR) – The number of reportable incidents multiplied by 200,000 divided by the number of work hours. Since Covia is MSHA-regulated, we use the most current, full-time reportable incident rate.

****Number of full-time employees minus voluntary and involuntary terminations (does not include deceased or retirees) at the end of 2018 divided by the number of full-time employees at the beginning of the period—the formation of Covia in June 2018.

GRI Content Index

GENERAL STANDARD DISCLOSURES

SPECIFIC STANDARD DISCLOSURES

UNGC COP

GRI 102-55 >

The General Standard Disclosures were not externally assured.

GRI STANDARD	DISCLOSURE	LOCATION / DIRECT ANSWER
GRI 101:	Foundation 2016	
GRI 102:	General Disclosures 2016	
	Organizational Profile	
	102-1 Name of the organization	Covia Holdings Corporation
	102-2 Activities, brands, products, and services	10-K Annual Report, Item 1, Pages 7-10 Markets
	102-3 Location of headquarters	Independence, Ohio
	102-4 Location of operations	Locations
	102-5 Ownership and legal form	10-K Annual Report, Item 1, Page 4
	102-6 Markets served	10-K Annual Report, Item 1, Pages 4-10 Markets
	102-7 Scale of the organization	10-K Annual Report, Item 1, Pages 4-10; Item 6, Page 68
	102-8 Information on employees and other workers	Performance Snapshot
	102-9 Supply chain	Stakeholder Engagement and Materiality
	102-10 Significant changes to the organization and its supply chain	10-K Annual Report, Item 1, Pages 4-5
	102-11 Precautionary Principle or approach	Corporate Code of Business Conduct and Ethics
	102-12 External initiatives	Global Reporting Initiative United Nations Global Compact
	102-13 Membership of associations	Partners
	Strategy	
	102-14 Statement from senior decision-maker	Message from CEO
	Ethics and Integrity	
	102-16 Values, principles, standards, and norms of behavior	Compliance and Ethical Behavior Corporate Code of Business Conduct and Ethics
	Governance	
	102-18 Governance structure	Corporate Responsibility Governance In 2018, our board of directors was comprised of 13 members (one woman and 12 men) including four executives, nine independent directors, and 10,029 shareholders.
	Stakeholder Engagement	
	102-40 List of stakeholder groups	Stakeholder Engagement and Materiality
	102-41 Collective bargaining agreements	10-K Annual Report, Item 1, Page 6
	102-42 Identifying and selecting stakeholders	Stakeholder Engagement and Materiality

102-43 Approach to stakeholder engagement	Stakeholder Engagement and Materiality
102-44 Key topics and concerns raised	Stakeholder Engagement and Materiality
Reporting Practices	
102-45 Entities included in the consolidated financial statements	10-K Annual Report: Exhibit 21.1, Page 148; all entities in Exhibit 21.1 are covered in this report.
102-46 Defining report content and topic Boundaries	Stakeholder Engagement and Materiality
102-47 List of material topics	Stakeholder Engagement and Materiality GRI Content Index
102-48 Restatements of information	We have no restatements of information.
102-49 Changes in reporting	Overview (About Our Report) Stakeholder Engagement and Materiality
102-50 Reporting period	Calendar year
102-51 Date of most recent report	Overview (About Our Report)
102-52 Reporting cycle	We report annually.
102-53 Contact point for questions regarding the report	For questions regarding our report or its content, please contact Beau Daane, Director of Sustainable Development, at Beau.Daane@coviacorp.com .
102-54 Claims of reporting in accordance with the GRI Standards	Overview (About Our Report)
102-55 GRI content index	GRI Content Index
102-56 External assurance	This report is not externally assured.

GRI Content Index

GENERAL STANDARD DISCLOSURES

SPECIFIC STANDARD DISCLOSURES

UNGC COP

GRI 102-55 >

The Specific Standard Disclosures were not externally assured.

GRI STANDARD	DISCLOSURE	LOCATION / DIRECT ANSWER	OMISSION
Economic Material Topics			
Economic Performance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Materiality Matrix - Community Investment	
	103-2 Management approach and its components	Community Investment - Governance	
	103-3 Evaluation of management approach	Community Investment - Performance	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Capital Structure, Cost Control, ROI Community Investment In 2018, Covia generated \$1.8 billion in GAAP Revenue; \$2.3 billion in Pro Forma Combined Revenue; and, donated approximately \$1.6 million in community investments. We disclose GAAP specified operating expenses, which include cost of goods sold, SG&A, and total tax payments, in our Annual Report (Pages 68, 72, 74, 126-127)	
Product Supply and Demand Dynamics			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Materiality Matrix - Product Supply and Demand Dynamics	
	103-2 Management approach and its components	Product Supply and Demand Dynamics - Governance	
	103-3 Evaluation of management approach	Product Supply and Demand Dynamics - Performance	
	Indicator: Added Capacity in West Texas and Oklahoma	Product Supply and Demand Dynamics - Performance	
Capital Structure, Cost Control, ROI			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Materiality Matrix - Capital Structure, Cost Control, ROI	
	103-2 Management approach and its components	Capital Structure, Cost Control, ROI - Governance	
	103-3 Evaluation of management approach	Capital Structure, Cost Control, ROI - Performance	
	Indicator: Pro Forma Combined Revenue	Capital Structure, Cost Control, ROI - Performance	
Business Growth and Diversification			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Materiality Matrix - Business Growth and Diversification	

	103-2 Management approach and its components	Business Growth and Diversification - Governance
	103-3 Evaluation of management approach	Business Growth and Diversification - Performance
	Indicator: New Plants in Permian Basin	Business Growth and Diversification - Performance

Product Quality

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Materiality Matrix - Product Quality
	103-2 Management approach and its components	Product Quality - Governance
	103-3 Evaluation of management approach	Product Quality - Performance
	Indicator: Number of sites that have achieved ISO 9001 certification (out of total number of sites)	Product Quality - Performance
	Indicator: Customer Satisfaction Index	Product Quality - Performance

Product and Process Innovation

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Materiality Matrix - Product and Process Innovation
	103-2 Management approach and its components	Product and Process Innovation - Governance
	103-3 Evaluation of management approach	Product and Process Innovation - Performance
	Indicator: Number of new patents	Product and Process Innovation - Performance

Environmental Material Topics

Energy

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Materiality Matrix - Energy and GHG Emissions
	103-2 Management approach and its components	Energy and GHG Emissions - Governance
	103-3 Evaluation of management approach	Energy and GHG Emissions - Performance
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy and GHG Emissions - Performance
	302-3 Energy intensity	Energy and GHG Emissions - Performance

Water

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Materiality Matrix - Water Use
	103-2 Management approach and its components	Water Use - Governance
	103-3 Evaluation of management approach	Water Use - Performance
GRI 306: Effluents and Waste 2016	306-5 Water bodies affected by water discharges and/or runoff	Water Use - Performance

Biodiversity

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Materiality Matrix - Land Management, Remediation, and Biodiversity
	103-2 Management approach and its components	Land Management, Remediation, and Biodiversity - Governance
	103-3 Evaluation of management approach	Land Management, Remediation, and Biodiversity - Performance

Emissions

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Materiality Matrix - Energy and GHG Emissions	
	103-2 Management approach and its components	Energy and GHG Emissions - Governance	
	103-3 Evaluation of management approach	Energy and GHG Emissions - Performance	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Energy and GHG Emissions - Performance We do not have any biogenic emissions for this reporting period. Our source for emissions factors is the U.S. EPA, Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2002, Annex 6. Our chosen consolidation approach is operational control.	Not applicable. We include CO ₂ , N ₂ O, and CH ₄ from fuel sources in our calculations, but do not include in-house blasting, contract blasting, contract earth moving, and contract on-site rail movements because we do not own the equipment used and we contract out the labor used to operate the equipment.
	305-2 Energy indirect (Scope 2) GHG emissions	Energy and GHG Emissions - Performance Our sources include the U.S. DOE/EIA, 2004 Annual Energy Outlook, 2004, Appendix H and the U.S. EPA, Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2002, Annex 6. Our chosen consolidation approach is operational control.	Information unavailable and not applicable. Emissions included in our calculations are CO ₂ from electricity, but do not include offices and terminals. Our offices and terminals use much less energy compared to our mining and coating facilities. For example, some of our terminals comprise only a few employees, and our largest office houses less than 75 employees.
	305-4 GHG emissions intensity	Energy and GHG Emissions - Performance Our emissions intensity ratio includes Scope 1 and Scope 2 emissions. We include CO ₂ , N ₂ O, and CH ₄ in our calculations.	

Effluents and Waste

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Materiality Matrix - Waste	
	103-2 Management approach and its components	Waste - Governance	
	103-3 Evaluation of management approach	Waste - Performance	
	Indicator: Number of facilities that have achieved zero operational waste	Waste - Performance	

Transportation Logistics, Efficiency, Emissions

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Materiality Matrix - Transportation Logistics, Efficiency, and Emissions	
	103-2 Management approach and its components	Transportation Logistics, Efficiency, and Emissions - Governance	
	103-3 Evaluation of management approach	Transportation Logistics, Efficiency, and Emissions - Performance	
	Indicator: Volume Sold	Transportation Logistics, Efficiency, and Emissions - Performance	

Social Material Topics

Employment

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Materiality Matrix - Employer of Choice	
	103-2 Management approach and its components	Employer of Choice - Governance	
	103-3 Evaluation of management approach	Employer of Choice - Performance	
	Indicator: Employee Retention	Employer of Choice - Performance	

Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Materiality Matrix - Safety and Health	
	103-2 Management approach and its components	Safety and Health - Governance	
	103-3 Evaluation of management approach	Safety and Health - Performance	
GRI 403: Occupational Health and Safety 2016	403-9 Work-related injuries	Safety and Health - Performance Performance Snapshot	
Training and Education			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Materiality Matrix - Employer of Choice	
	103-2 Management approach and its components	Employer of Choice - Governance	
	103-3 Evaluation of management approach	Employer of Choice - Performance	
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Employer of Choice - Performance	Not applicable. We do not provide transition assistance programs as it is not material to our organization.
Local Communities			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Materiality Matrix - Community Impacts and Partner of Choice	
	103-2 Management approach and its components	Community Impacts and Partner of Choice - Governance	
	103-3 Evaluation of management approach	Community Impacts and Partner of Choice - Performance	
	Indicator: Number of facilities idled or closed and associated impacts	Community Impacts and Partner of Choice - Performance	

GRI Content Index

GENERAL STANDARD DISCLOSURES

SPECIFIC STANDARD DISCLOSURES

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GRI 102-55 >

PRINCIPLE	PRINCIPLE DESCRIPTION	LOCATION
1	Businesses should support and respect the protection of internationally proclaimed human rights	Policies Corporate Code of Business Conduct and Ethics Implementation Safety and Health Employer of Choice Community Investment Community Impacts and Partner of Choice Compliance and Ethical Behavior
2	Businesses should make sure they are not complicit in human rights abuses	Policies Whistleblower Policy Implementation Compliance and Ethical Behavior
3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Policies Corporate Code of Business Conduct and Ethics Implementation Compliance and Ethical Behavior
4	Businesses should uphold the elimination of all forms of forced and compulsory labor	Policies Corporate Code of Business Conduct and Ethics Implementation Compliance and Ethical Behavior
5	Businesses should uphold the effective abolition of child labor	Implementation Compliance and Ethical Behavior
6	Businesses should uphold the elimination of discrimination in respect of employment and occupation	Policies Corporate Code of Business Conduct and Ethics Implementation Compliance and Ethical Behavior Employer of Choice
7	Businesses should support a precautionary approach to environmental challenges	Policies Corporate Code of Business Conduct and Ethics Implementation Corporate Responsibility Governance Stakeholder Engagement and Materiality Community Impacts and Partner of Choice Stakeholder Partnerships, Education, and Influence Planet
8	Businesses should undertake initiatives to promote greater environmental responsibility	Policies Corporate Code of Business Conduct and Ethics Implementation Goals and Progress Product and Process Innovation Community Impacts and Partner of Choice Stakeholder Partnerships, Education, and Influence Planet
9	Businesses should encourage the development and diffusion of environmentally friendly technologies	Implementation Product and Process Innovation Energy and GHG Emissions Transportation Logistics, Efficiency, and Emissions Water Use Waste
10	Businesses should work against corruption in all its forms, including extortion and bribery	Policies Anti-Corruption Policy Corporate Code of Business Conduct and Ethics Implementation Compliance and Ethical Behavior