

SUSTAINABILITY REPORT 2022

Building and protecting the future using innovative science today

HEXION™
Responsible Chemistry

A Message from our President and CEO



I was honored to join Hexion this year—a company with an enduring and distinguished history of innovation, high-quality products, and outstanding customer service.

MICHAEL LEFENFELD // PRESIDENT // CHIEF EXECUTIVE OFFICER

A large part of what attracted me to this company is its unwavering focus on improving our world through operating our business and our product innovation engine with a vision for sustainability. “Sustainability” can mean many things in our industry, but at Hexion, it means that we are committed to operating our sites safely, minimizing our impact on natural resources, harnessing innovative solutions to develop more environmentally-sustainable products, and working with others throughout our sphere of influence to protect our associates, customers, and the communities where we work and live.

Hexion’s 2022 Sustainability Report highlights the strong work that our global teams are doing to better align our product portfolio to global mega-trends, reduce waste and improve resource utilization, and partner with customers and suppliers to drive sustainability throughout our supply chain. We’ll share ways that our adhesive technologies enable the more-efficient use of engineered wood products, one of the most sustainable building materials in the world. We’ll also look at our efforts to encourage and support more-responsible use of wood through sustainable forestry and recycling practices. Agriculture is an exciting growth area for Hexion and I’m excited to highlight our slow-release nitrogen technology, an innovative formaldehyde transformation, which improves crop yield and quality, while simultaneously reducing greenhouse gas emissions and leaching contamination compared to liquid fertilizers. And finally, we’ll discuss the expansion of our Versatic™ Acid product line, which enables low-or-no VOC paint formulations that reduce emissions, while also delivering improved enhanced water resistance and durability benefits.

While this report represents Hexion as it is today, our strategic plans call for Hexion’s sustainability efforts and commitments to expand over time. We have committed that by 2030, all new products will incorporate sustainable attributes. One exciting example of this is ArmorBuilt™ Wildfire Shield, a durable, fire safeguard that helps utility companies better protect the utility poles throughout the energy grid and manage the negative impacts of climate change and wildfires. However, we see this platform technology enabling fire safety in a long list of other applications that will protect the world’s population while at home or working or commuting every day.

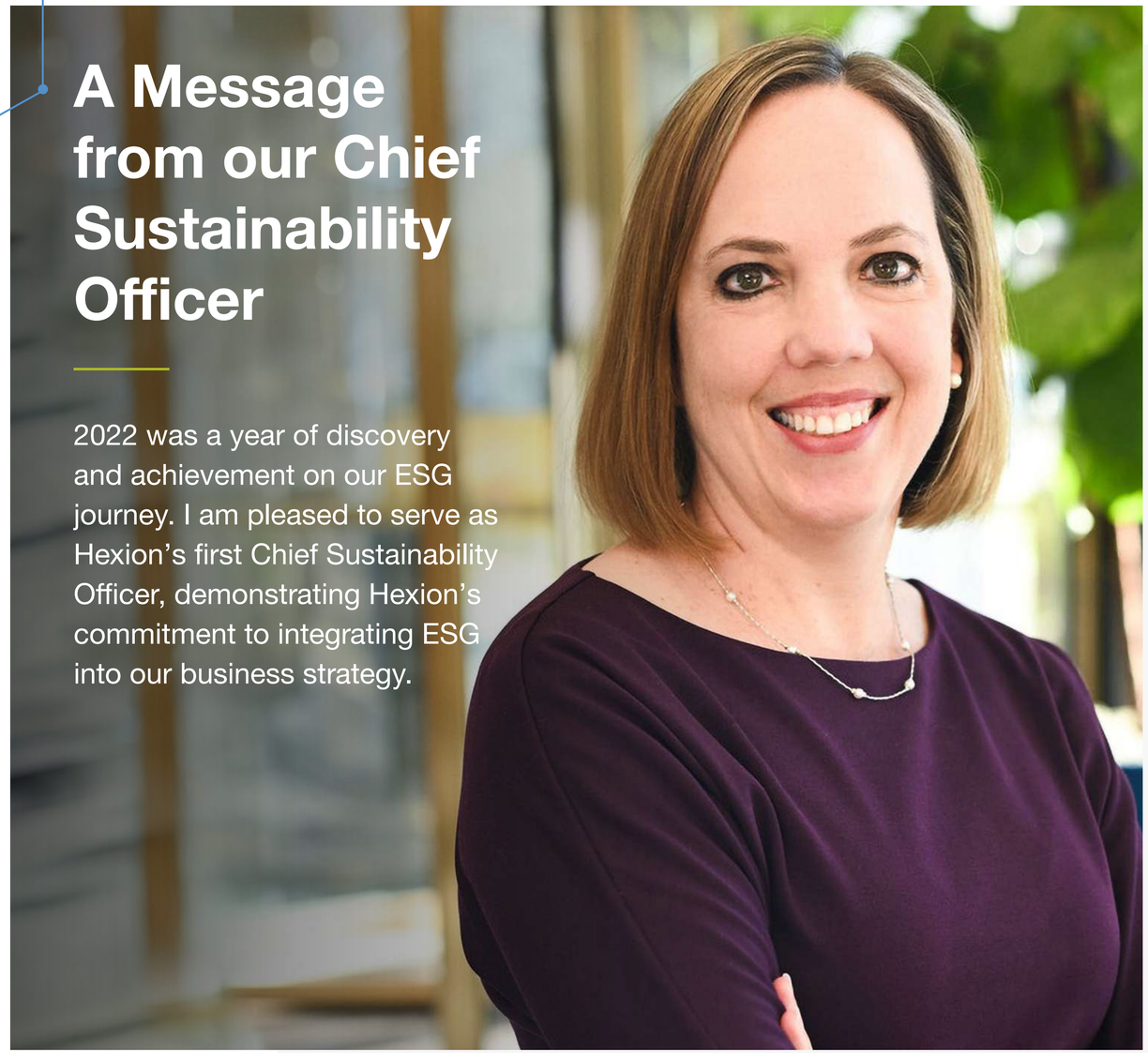
At Hexion, we believe it is our collective responsibility to proactively address the problems that our industry and communities face. Because at the end of the day, all chemistry should be Responsible Chemistry. I look forward to sharing more about our sustainability journey over the coming years. While we have already made significant progress, I am confident we are just getting started and am so encouraged by the opportunities ahead of us.

Sincerely,

M Lefenfeld

Michael Lefenfeld

A Message from our Chief Sustainability Officer



2022 was a year of discovery and achievement on our ESG journey. I am pleased to serve as Hexion's first Chief Sustainability Officer, demonstrating Hexion's commitment to integrating ESG into our business strategy.

STEPHANIE COUHIG // SENIOR VICE PRESIDENT, EHS AND CHIEF SUSTAINABILITY OFFICER

Over the last year, we worked with our stakeholders to complete an updated materiality assessment, identifying additional opportunities and focus areas, while also continuing our progress towards achieving our sustainability commitments.

We start with our steadfast dedication to operating our plants safely and being good stewards of the environment. It is an approach we've described as "Responsible Chemistry," and it goes beyond a phrase. It represents our commitment to our own associates and to the communities in which we operate. We are focused on continuous improvement in all aspects of our operations, including our goal of driving toward zero recordable injuries, reducing losses of primary containment within our operations by 80 percent by 2025 and lowering absolute "Scope 1" and "Scope 2" carbon emissions by 20 percent by 2030. I am pleased to report that through the end of 2022, we've reduced our emissions by 15 percent when compared to 2017, our baseline comparison year.

At Hexion, we know that attracting, developing, and retaining a diverse, engaged, and dynamic group of associates is critical to create our future. The engagement of our associates and diversity of thought informs our innovation processes, procedures, and product development and leads to breakthrough ideas. During 2022, we grew participation in our Business Resource Groups, introduced a Continuous Performance Development process, launched LinkedIn Learning® and expanded associate benefits and well-being programs. We also added a new Associate Engagement and Community Impact role within the ESG organization to continue to grow our engagement and outreach programs.

Our associates continue to demonstrate their commitment to the communities in which they live and work as they logged more than 2,200 volunteer hours over the course of 2022, supporting numerous non-profit organizations. I am proud to be part of an organization of associates who truly care about each other and our neighbors and look forward to reporting even more impact next year.

I'm confident that the talented and dedicated associates at Hexion have positioned us for long-term success to continue to serve our global customers.

Sincerely,

Stephanie Couhig

Mission Statement

At Hexion, we create innovative performance materials that are the building blocks for critical industries—including construction, agriculture, energy, automotive, and infrastructure protection. Everywhere you look, you will find our materials and people at work to help customers make products that are stronger, safer, and cleaner. Grounded by a history that is deeply-rooted in innovation, we are committed to operating safely and with integrity to build a more sustainable future for all—our associates, our customers, and the communities where we live and work.

Hexion at a glance



Products and Sustainable Innovation

Everywhere you look, you'll find Hexion enabling some of the world's most sustainable building products and materials used in everyday lives.

Backed by decades of formulation expertise, Hexion's products play an integral role across a wide variety of applications, chemistries, and industries. Its innovations help protect infrastructure from increasing climate change risks, improve food security by growing crop yields, and conserve natural resources by enabling building products to be made with less waste. Every day, the company's 11 global R&D sites collaborate with customers to develop building products and performance materials that create a more sustainable future.

Hexion is committed that, by 2030, all new products will incorporate sustainable attributes. A sustainable product is one that has one or more of the following attributes within the full value chain: improve energy efficiency, reduce material consumption, increase use of sustainable raw materials, contribute to the circular economy and/or mitigate climate change impact, among others.



Build

11 SUSTAINABLE CITIES AND COMMUNITIES

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Adhesives for Engineered Wood and Coatings are Framing the Future

Hexion continues to incorporate green chemistry principles into its R&D process to address customers' demands for more environmentally-preferred solutions. The company's efforts focus on developing resin technologies that reduce emissions, maximize efficiency, and increase the use of bio-based raw materials.

Hexion adhesives are critical to the structural integrity of decorative wood products such as oriented strand board, plywood, and medium density fiberboard. These engineered wood products must meet many standards including heat performance, customer quality and emissions regulations. With over 700 unique adhesive solutions, Hexion adds significant value with:

- Low-emitting, high performing binder resins for composite wood products;
- Thermally-stable adhesives for structural wood products; and
- High-performing insulating foam resins.

In addition, Hexion Versatic™ Acids and Derivatives are also used in key residential and commercial construction applications, such as:

- Resins and monomers for hard-wearing, better adhering architectural coatings; and
- Environmentally-responsible, water-resistant masonry resins.

Hexion develops its products with customized specifications based on collaboration with customers who interface with the company's regional commercial, technical support and research and development associates. Through these relationships, the company helps its customers continuously adapt to changing performance requirements, new workplace safety standards, the latest environmental standards and increasing energy conservation requirements.

The company's adhesive resins also enable wood products that can meet or exceed global emission standards including the California Air Resources Board (CARB) Airborne Toxic Control Measures Phase II regulation and Formaldehyde Emission Standards for Composite Wood Products under Title VI of the Toxic Substances Control Act. Products may also enable credits associated with the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) programs.

VeoVa™ Vinyl Ester Based Redispersible Powder Additives for the Dry-Mix Industry

The use of cementitious mortars, tile adhesives, and external insulation finishing systems (EIFS) modified with polymers is growing world-wide to meet the technical and productivity requirements of modern construction. Dry-mix mortars using redispersible powders (RDPs) combine the performance benefits of latex modifiers with the convenience, reliability, and handling/storage advantages of one-component systems. These RDPs are produced through the spray-drying of wet polymers. During the spray-dry process water is removed, resulting in an easy to transport dry and free-flowing powder. Rising demand for green buildings, environmental regulations, VOC reduction and water conservation are some of the key drivers in the re-dispersible powder market.

Thanks to these intrinsic properties of Hexion's VeoVa™ 10 monomer, redispersible latex powders based on VeoVa™ vinyl ester provide significant benefits, such as reduced water absorption and increased water repellence, improved adhesion, and superior workability (less water demand).





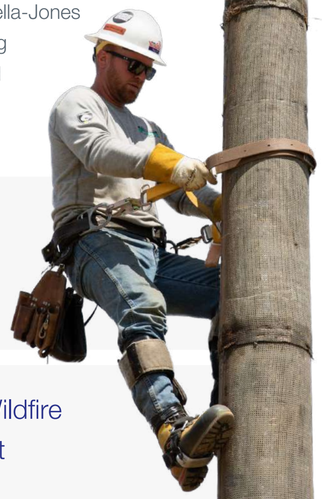


Protect

ArmorBuilt™ Wildfire Shield Contributes to Groundbreaking Fire Safety Research

Climate change has created conditions that increase susceptibility to drought and wildfire. Hexion's ArmorBuilt™ Wildfire Shield is a durable safeguard that protects critical infrastructure or building materials from fire. The state-of-the-art smart material is triggered by heat to protect wooden utility poles and minimize the cost of disruption and repair.

During 2022, Hexion participated in three prescribed wildfire canyon burns in partnership with California Department of Forestry and Fire Protection (CAL FIRE), Pacific Gas & Electric Company, Stella-Jones Corporation, the National Science Foundation, and San José State University (SJSU). During the prescribed burns, multiple utility poles were wrapped with ArmorBuilt Wildfire Shield and subjected to some of the highest intensity burns conducted in a canyon, according to the Wildfire Interdisciplinary Research Center (WIRC) at SJSU.



"After the material was removed, the poles, amazingly, looked perfectly fine," said Brice Muenzer, Fire Chief with the CAL FIRE San Benito-Monterey Unit, as reported in the *San Francisco Chronicle*.

In September 2022, during the California Mosquito fire, ArmorBuilt Wildfire Shield protected multiple utility poles from burning, despite significant damage to nearby vehicles.

Environmentally-Preferred Coating Solutions for High Performance Applications

Coatings companies look to Hexion for its Versatic™ Acids and Derivatives, including VeoVa™ vinyl esters and Cardura™ glycidyl ester, which are used to produce resins for high-performance, longer lasting coatings for construction, automotive and industrial applications.

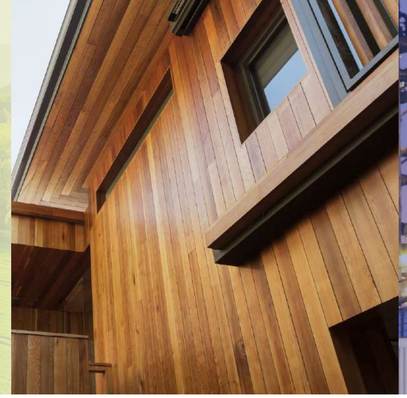
VeoVa™ vinyl esters monomers enable decorative paints and adhesives that last longer and perform better by increasing their weatherability, which is especially important in outdoor applications and applications where water resistance is important. VeoVa™ vinyl ester 10 monomer also enables the production of waterborne and low-VOC coatings with reduced biocide leach-out. Considering the reduced energy associated with longer-lasting applications, VeoVa applications offer an environmentally preferred option for customers. Examples of applications are exterior wall paints, kitchen and bathroom paints, tile adhesives, wood coatings and energy saving elastomeric cool-roof coatings.

In waterborne intumescent paints for passive fire protection, VeoVa™ vinyl ester monomers improve char formation and prolong the time it takes a structure to reach the critical temperature in a fire. This technology allows customers to formulate systems that better maintain the integrity of a building and give occupants more time to evacuate in the case of a fire.

Hexion's patented VeoVa Silane technology enables the creation of safer to use, iso-cyanate-free, moisture-curable resins. VeoVa-Silane coatings developed as 1K systems simplify handling, storage and transportation, and reduce waste. The completely isocyanate-free curing processes further reduce environmental impact and provide healthier work environments.

Cardura™ glycidyl ester is used in resins for automotive coatings as well as coil, protective, and industrial coatings with superior appearance, UV and chemical resistance. With Cardura E10P glycidyl ester, it is easier to produce low viscosity ultra-high solids and waterborne acrylic polyols (APO) that can be used to formulate lower-VOC industrial coatings.






Grow

N-Code™ Slow-Release Nitrogen

Hexion has developed slow-release nitrogen technology to improve crop yield and harvest quality. These products also help to address greenhouse gas emissions from the agriculture industry and reduce contamination due to nitrogen leaching and volatilization from traditional liquid solution fertilizers. N-Code's unique slow-release formula enables nitrogen absorption consistent with plant nutrient demand. The key to this efficiency is N-Code's inherent chemical composition, improved durability, and foliar application properties.

In 2022, Hexion completed comprehensive field trials and research demonstrating significant improvement in soybean and corn yield when compared to commodity nitrogen solutions comprised of urea and urea ammonium nitrate.

N-Code is Hexion's latest innovative product designed specifically for the Brazilian market.

Field tests have demonstrated that N-Code products deliver a sustained nitrogen capability that is better for plants, better for farmers and better for the world, according to Dave Collins, Senior Vice President, Global Formaldehyde.

Biodiversity and Natural Resources

Commitment to biodiversity

Hexion values natural resources and the environment and we act to minimize the impact on the environment by using water and non-renewable resources as efficiently as possible.

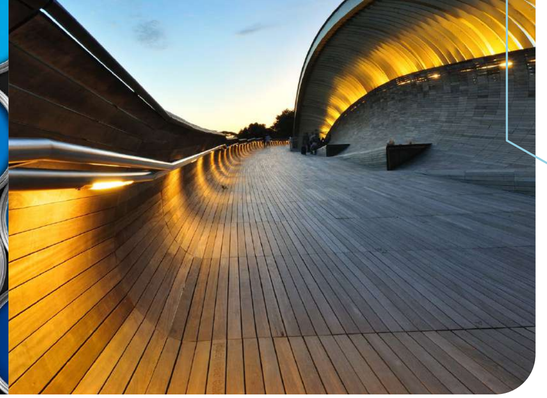
For example, Hexion's adhesives and resins designed for engineered wood products enable efficient resource usage. Engineered wood products store carbon for the life of the product, and when adhesive resins are used in these products, 99 percent of the tree can be used. Its wood adhesives also support a more sustainable construction market by enabling the use of wood grown using responsible forestry practices and sustainable tree plantations. Responsibly harvesting and replanting on a continuous cycle allows a steady source of material while ensuring forests continue to thrive. (Forest Stewardship Council)

Leveraging Bio-based Methanol

Hexion is constantly looking for opportunities to incorporate environmentally-preferred raw materials. For example, by using bio-based methanol, Hexion is making an important contribution to achieving the climate goals of its customers. The company's Baytown, Texas manufacturing site began using bio-based methanol during production of formaldehyde in July 2022, helping customers to offer products with sustainable attributes including reduced greenhouse gas impacts.

Depending on the customers' preference, Hexion is positioned to further adopt bio-based raw materials into its production processes throughout its global manufacturing grid. Using bio-based methanol aligns with Hexion's overall sustainability goals, particularly those related to new product development and reducing greenhouse gas emissions.



Product Stewardship

Product stewardship is a cornerstone of Hexion's sustainability effort by stimulating innovation and helping the company meet society's needs with products and processes that are more environmentally suitable and offer improved performance. Hexion extends this commitment to its customers by being a strategic partner and supporting their respective innovation efforts.

Consistent with the principles of the Responsible Care Product Safety Code, Hexion's product stewardship efforts include:

- Supporting business and new product development to ensure global compliance, risk management and product safety with regards to existing product lines and innovation;
- Educating associates and customers to ensure products are designed, manufactured, stored, transported, used, and disposed of in a safe and environmentally responsible manner to protect people, customers, communities, and the environment;
- Actively engaging with internal and external organizations to anticipate regulatory, industry, societal and value chain trends to effectively manage risk, support business sustainability and anticipate need for product evolution;
- Driving the adoption of science-based regulations;
- Proactively guiding Research and Development teams in the selection of lower hazard and more sustainable raw materials during early design phase of new developments;
- Regularly reviewing product safety based on Hexion's Risk Assessment Process to identify and prioritize risks and actions to mitigate them; and
- Promoting regulatory compliance, product enhancements, and lower emissions.

Hexion's Product Stewardship team is a resource for global customers in a variety of additional areas, including providing important product information. For example:

- The Company's commitments and positions regarding conflict minerals are described in our Policy Statement on Responsible Sourcing of Minerals and Supplier Code of Conduct.
- Hexion does not intentionally add nor anticipate per- and polyfluoroalkyl substances (PFAS) substances, including perfluorooctanoic acid (PFOA) and perfluorooctanesulfonates (salts of perfluorooctanesulfonic acid (PFOF)), to be present in its products.
- Hexion does not intentionally add or anticipate the presence of chemicals designated as persistent, bioaccumulative, and toxic (PBT) by the U.S. Environmental Protection Agency.

Hexion's formaldehyde and derivative resins and adhesives are used in a wide range of applications that enable key aspects of society, including affordable housing and construction, sustainable wood products, food and agriculture, modern automobiles, and transportation systems, reliable supply chains, fire safety, and other products. The chemistry of formaldehyde continues to make it a versatile and valuable material, with applications that enhance the quality and sustainability of modern life.

The product stewardship team works closely with its business teams to ensure safe use of these products and education of the downstream value chain. Emissions from wood products bonded with formaldehyde resins have been dramatically reduced in recent years. Hexion has led the way in targeting emission reductions by focusing on four fronts: resin formulation/composition, manufacturing techniques, methods of resin use and the application of formaldehyde scavengers. Learn more at Hexion's product stewardship summary for formaldehyde.

Governance

In early 2022, Hexion strengthened its Environmental, Social and Governance (ESG) governance structure and took actions to achieve our sustainability goals by:

- Naming its first Chief Sustainability Officer (CSO) who reports directly to the President and Chief Executive Officer
- Strengthening and expanding its Sustainability Steering team consisting of leaders from operations, each corporate function, and each business unit; and
- Regularly engaging with the Board of Directors on a comprehensive set of ESG topics.

Under the leadership of the CSO, Hexion undertook a number of new governance initiatives that are further described in this section to position the company for continued success.

Materiality Assessment

In 2022, Hexion completed an updated materiality assessment using an evidence-based process that was designed to verify and prioritize the ESG opportunities that matter most to the Company and its stakeholders.

The materiality assessment process is key to ensuring alignment between Hexion's values and the expectations of associates, suppliers, customers, investors, and communities.

The company identifies and prioritizes material issues using a combination of direct stakeholder interviews and utilization of the Datamaran software solution. With Datamaran's technology, Hexion benefits from a continuous, evidence-based review of ESG-related risks within its regulatory, competitive, and operating contexts. This approach ensures that the company continues to build an ESG focus that responds to external events, evolving business priorities, and stakeholder expectations.







Materiality Assessment Opportunities

In 2022, Hexion identified the following topics to be most material:

Energy & Greenhouse Gas (GHG) Emissions

Energy and emissions are an increasingly important topic as companies work to combat climate change. Focusing on energy reduction and energy efficiency is more important than ever to avoid the impact of rising energy costs and to help customers reach their goals.

Sustainable Innovation & Solutions

Hexion can help customers achieve their ESG goals through sustainable and innovative product development. It is critical that Hexion prioritize innovation in the coming years to remain competitive, or it may face significant business risk.

Associate Attraction, Engagement, & Retention

As the labor market becomes more competitive and more workers become eligible for retirement, it is critical for Hexion to attract, develop, engage, and retain top talent. Stakeholders note generations entering the work force today are more interested in company ESG initiatives, so it is important for Hexion to prioritize strong ESG performance and disclosure of its ESG performance to stakeholders.

2022



Climate Change

As extreme weather events related to climate change are becoming increasingly common, it is important to take action to mitigate physical climate risk. Hexion is also subject to energy transition risk as the world shifts to a low carbon economy. Emerging policies and regulations should remain a key consideration when looking to the future.

Supply Chain

Between supply chain disruptions that resulted from the COVID-19 pandemic, ongoing geopolitical issues, and climate change risk, supply chain resilience is top of mind for many stakeholders. Supply chain disruptions can impact Hexion's profits and its ability to meet customer demand. It is essential that Hexion take steps to mitigate supply chain disruptions and associated impacts.

United Nations Global Compact

WE SUPPORT

United Nations 2030 Sustainable Development Goals

Since 2021, Hexion Inc. has been committed to the UN Global Compact Corporate responsibility initiative and its principles in the areas of human rights, labor, the environment, and anti-corruption, and has reported out annually on its progress (Hexion Inc. | UN Global Compact).

Hexion has also aligned its sustainability strategy with the United Nations' Sustainable Development Goals (SDGs). SDGs are 17 goals with 169 targets that all United Nations Member States have agreed to work towards achieving by the year 2030. They provide powerful guidance for partnering with all stakeholders to create positive change and set a vision for a world free from poverty, hunger, and disease.

More about SDGs can be found at www.un.org/sustainabledevelopment.

The content of this publication has not been approved by the United Nations and does not reflect the views of the United Nations or its officials or Member States







Corporate Governance

Hexion's Sustainability Steering Team consists of leaders from every business and function and is divided into two sub-groups. The first group focuses on product-related sustainability issues to further evolve the company's product portfolio, and the second concentrates on climate-related topics and GHG emissions.

Hexion's Executive Leadership Team (ELT) serves as the higher-level sustainability committee. The Senior Vice President of Environmental, Health & Safety and Chief Sustainability Officer is responsible for providing Hexion's ELT and Chief Executive Officer with sustainability updates and ensuring timely and accurate climate-related information flows continually to the company's Board of Directors.

Diversity of thought and experience is important to effective governance. In 2022, Hexion's Board of Directors included two independent directors. One-third of directors identified female and one-third as an ethnic minority. Additionally, all directors had prior experience in the chemical industry with one-third of members identifying specific experience with environmental, health and safety and ESG governance.

Sustainability Governance

Sustainability considerations are factored in essentially every aspect of Hexion's operations. The Company leverages several foundational components to guide its sustainability initiatives that are further detailed in the following examples.

EHS Policy

Hexion's EHS Policy is the foundation for a successful and sustainable EHS program. It demonstrates and communicates the Senior Leadership Team's commitment to EHS and defines expectations to associates and contractors.

EHS Management System

Hexion's EHS Management System standards drive risk analysis throughout the company's operations, while simultaneously identifying opportunities to continually reduce potential hazards to people, environment, and assets. The manufacturing sites in the Americas and Europe have achieved external certification of their management systems. For example, 24 sites within Hexion's network have achieved International Quality Management System ISO 9001 certification. In addition, Hexion has 19 sites in the Americas that are RC/ISO 14001 certified, while the Pernis, NL facility is ISO 14001 and ISO 45001 certified.

The Company leverages global safety standards throughout its operations outlining the steps to effectively manage the risk of serious injuries or fatalities, such as Confined Space Entry; Lock Out Tag Out; Work at Height; and High-Pressure Water Cleaning, among others. Processes and procedures are in place as well to ensure material is not released to environment through standardized work instructions and a mechanical integrity program. Non-routine work is preceded by safe work permit reviews and approvals to ensure hazards and risks are reviewed and the appropriate actions are taken to ensure safe work.

Emergency Preparedness and Crisis Management

Risk assessment and work planning are combined with emergency preparedness plans, which are tested at all facilities. Associates are regularly trained in their site-specific emergency response plan, and emergency drills are conducted regularly. Joint response emergency exercises are also conducted at some locations with local EMS, first responders and community members to develop relationships and improve preparedness of associates, and external stakeholders. A crisis management plan at a corporate level enables quick deployment of additional support including, staffing, resources, and communications.

Annual Risk Process

Hexion's Annual Enterprise Risk Management Process consists of a three-tiered approach. The First and Second Tier is designed to identify the company's top six risks through the Leadership Top Risks Survey and Senior Leadership Interviews. In 2022, more than 20 questions were posed rating the potential impact and likelihood of each risk including potential environmental, social, and governance issues. Nearly 40 members of senior leadership were surveyed, with a nearly 90 percent completion rate. Interviews were conducted directly by Internal Audit, Risk Management, and Legal & Compliance. The Third Tier included a risk assessment survey of more than 50 questions covering financial, operational, strategic, external, and compliance risks. This survey was sent to nearly 200 associates consisting of a broad cross section of leaders throughout the company with a response rate of more than 95 percent. Risks identified through the Annual Enterprise Risk Management Process are reported to the Board of Directors. A senior member of management is assigned to manage each risk. The Risk Committee monitors the management of these risks throughout the year.

Ethics and Compliance

Hexion is committed to global compliance and ethics in all operations, as set forth in its Code of Conduct, Supplier Code of Conduct, Global Environmental Health, and Safety Policy, Antitrust and Global Competition Policy and several other polices focused on high ethical standards and global compliance.

Hexion continues to provide associates with online and live training on various compliance topics including Anti-bribery, Conflicts of Interest, Gifts and Entertainment, and Mutual Respect. As part of this effort, each month, Hexion issues a compliance training message on its global intranet, covering such topics as bribery and corruption, anti-trust and global competition, gifts and entertainment, exports and trade, and conflicts of interest, and more.

In addition, Hexion issues an on-line training compliance course every quarter to either all associates or our professional level associates covering targeted compliance topics, including financial integrity and our Code of Conduct. The Company tracks completion of this training and works closely with its leadership team to reach the goal of a greater than 95 percent completion rate.

Hexion also delivers and tracks its instructor lead training, whether in-person or virtually. In 2022, these efforts reached approximately 650 associates. This 2022 training covered a wide range of topics, including the Hexion Hotline, intellectual property protections, and COVID related protocols.

Associate Hotline

Hexion highly promotes a compliance culture and commitment to respond appropriately when misconduct has been discovered. In order to do so, the Global Hexion Hotline for reporting concerns has been designed for associates to easily access it from any device.

The Hexion Hotline is a secure and confidential way to report compliance concerns by telephone or the internet. It's available 24 hours a day, 7 days a week in local languages. Anyone who reports a concern to the Hexion Hotline will have the option of identifying themselves or remaining anonymous.

Twenty-four cases were reported to the Hexion hotline in 2022. Twenty-seven cases were closed in 2022, including 5 that carried over from 2021. Approximately 62 percent of reports resulted in a type of corrective action ranging from termination to policy review to coaching. Hexion continually exceeds its goal of thoroughly investigating, addressing, and closing each reported concern within 30 days of receipt.

Supplier Sustainability and Responsible Sourcing

Sustainability is a collective responsibility between Hexion and its suppliers. The company utilizes a strategic procurement approach to ensure security of supply, combined with a logistics network to ship across town or around the world with minimal interruption.

Hexion uses real-time data and event-driven networks to optimize assets, link external partners, and improve customer experience. The company's ongoing focus and investment in data-driven technologies and analytical capabilities are foundational for modeling, tracking, and improving the many processes across its global supply chain and evolving business.

Hexion regularly evaluates logistics modes, payload optimization, and route management to improve its logistics programs and reduce the environmental impact. **These programs eliminated approximately 14,000 truck shipments and 3.9 million miles of transportation from the roads in 2022.**

Security of supply is critical to both Hexion and its customers operations. Hexion takes a strategic approach to procurement, with consideration of price, quality, and service continuity. The company's major raw materials are managed through a diversified supplier base, including multiple source locations and logistics modes which allows for continuity in supply where there are disruptions such as extreme weather or geopolitical events.



Hexion values its reputation for integrity and complies with all applicable laws and regulations. The company's Supplier Code of Conduct requires its suppliers to do the same. In 2022, Hexion continued to implement processes to ensure that both the Company and its raw materials suppliers and third-party vendors manage their products responsibly and with a focus on minimizing environmental impacts. Hexion utilizes third-party providers, including EcoVadis, one of the world's largest and most trusted providers of business sustainability ratings, to measure and improve sustainability practices throughout its supply chain. Hexion works with more than 40 EcoVadis-rated suppliers, accounting for greater than 50 percent of the company's annual procurement spend. Hexion also utilizes third party services to monitor suppliers for credit risk, cybersecurity risk and to ensure compliance with sanctioned or restricted party lists and state-owned entity requirements.

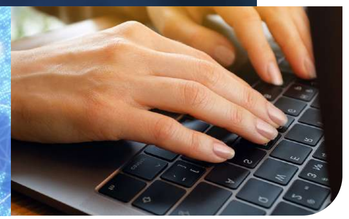
To drive the discussion and inclusion of Supplier Sustainability as a component of its strategic planning, Hexion has developed a Supplier Sustainability dashboard. The company currently assesses its top 100 suppliers quarterly, with a focus on twelve critical ESG elements. Hexion values Supplier Diversity and is committed to growing diverse supplier spend. The company engaged with Supplier.io to measure its spending with diverse suppliers, while enabling program development and continual improvement.

Cybersecurity & Data Privacy

With ever increasing attempts by outside parties to breach sensitive data, Hexion is continually adapting to the latest threats and strategically investing in its information technology infrastructure as part of an ongoing cyber security commitment to its associates and partners.







The company has a culture dedicated to managing cyber risk and continues to foster behaviors that help to create a human firewall. Hexion's cyber awareness program helps educate associates and regularly tests their skills through simulated scenarios. A few highlights of cyber awareness activities from 2022:

- Hexion participated in Cyber Security Awareness Month in October with focuses on phishing, security basics, reducing email stressors, and more.
- Associates from across the globe had the opportunity to demonstrate their skills by participating in multiple simulated phishing assessments throughout the year.
- Quarterly training included topics such as protecting against ransomware, identity best practices, insider threat and social engineering.

Hexion continuously monitors its systems for threats and vulnerabilities along with having defined response plans to ensure it can respond quickly and thoroughly to cyber incidents. This includes a Security Operations Center analyzing and responding to potential threats every day of the year. Below are a few process and technology highlights from 2022:

- Hexion is not aware of any material incidents relating to cyber security or privacy breaches.
- In addition to analyzing potential threats, the Company conducted a security incident tabletop exercise to test its cyber team's response to a hypothetical critical incident.
- Periodic Disaster Recovery tests were conducted to ensure resiliency and preparedness for various outage scenarios.
- Identified security controls were tested for effectiveness and new controls were implemented.
- Internal reviews of IT systems are conducted to ensure compliance with relevant data privacy regulations prior to implementation.

At the end of 2022, an external Security Rating Service ranked Hexion higher than 99 percent of peer chemical manufacturing companies.

99%
higher ranked than peers

Environmental

Rooted in Responsible Chemistry, Hexion is committed to both developing products and technologies that address the impacts of climate change and decrease downstream impact on the environment, while also operating its manufacturing facilities and offices in a sustainable fashion. The company's associates are constantly devising new ways to reduce energy use, greenhouse gas and air emissions, water usage, and waste generation during production.

Hexion closely monitors multiple operating metrics with a focus on continually improving its processes to reduce the environmental impact. Success is measured based on the following metrics: Greenhouse Gas Emissions; Scope 1 and Scope 2 Carbon Dioxide Equivalent (CO_2e) Emissions; Energy Consumption and intensity; Environmental Events and Spills; Water Consumption; and Waste Generation. Working together, Hexion expects to continue making significant progress in these key sustainability metrics in 2023 and going forward.









Responsible Production





Hexion's strategy is aligned with Sustainable Development Goals 13 (focused on initiatives to protect against climate change, reduce greenhouse gas emissions, and improve energy efficiency) and 12 (focused on responsible consumption and production). As discussed elsewhere in this report, the company is addressing climate change by developing bio-based and circular products, innovating products that help to respond to challenges associated with a changing climate, and developing a resilient supply chain. Hexion is also committed to efficiently managing resources, including energy and water consumption, and taking actions to mitigate the impact of severe weather on facilities and customers.

Climate Change Policy

Hexion strives to protect against climate change throughout the business lifecycle by efficiently using natural resources, optimizing existing processes and enhancing products and technologies through continuous innovation. This focus increases stakeholder value by improving the use of resources, reducing greenhouse gas emissions, engaging associates, decreasing operating costs and supporting the customers' sustainability goals.

Climate-Related Risks

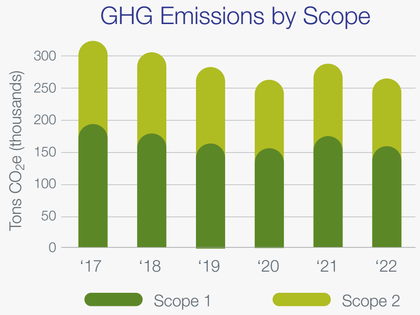
To better evaluate climate related risks and opportunities over time and throughout its value chain, Hexion conducted a transitional risk and opportunity scenario analysis aligned with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations in 2022. This is summarized in a TCFD Index in the Appendix.

As the number of severe weather events increase, operational physical risk mitigation action items are reviewed by all plants to ensure business continuity. Hexion reviews incidents and events to incorporate learnings into emergency response plans related to severe weather. In addition, each Hexion site maintains its own emergency response plans in the event of a fire, weather, natural disaster, or other emergency. Hexion regularly makes capital investments to improve its ability to protect the environment during serious weather events. The company's supply chain organization also works to ensure redundancy across its manufacturing network to ensure business continuity for its customers.

Greenhouse Gas Emissions

In 2021, Hexion announced a commitment to reducing greenhouse gas emissions by 20 percent by 2030 based on a 2017 baseline. Hexion's commitment encompasses reductions in "Scope 1" and "Scope 2" emissions, which are direct and indirect greenhouse emissions from operations and consumed energy.

In 2022, Hexion realized a 15% absolute reduction of Scope 1 and 2 emissions against its baseline. This was accomplished through a robust Energy Management Program focused on reduction of GHG emissions through lower energy use, while reducing operating costs, facility rationalization efforts and investments in renewable energy, such as the installation of solar photovoltaic panels at the Brisbane, Australia location.



Hexion is also working toward identifying and quantifying its "Scope 3" GHG emissions and is already executing projects and initiatives to reduce its Scope 3 GHG impact. Hexion's proximity to many of its regional clients enables reduced carbon-intensive travel and lower greenhouse gas emissions through improved transportation logistics and fewer miles traveled.



Energy Efficiency

ENERGY STAR Partner of the Year

Hexion received a 2023 ENERGY STAR® Partner of the Year Award for Sustained Excellence in Energy Management, recognizing its energy reduction efforts in 2022. This is the third consecutive year that Hexion has been named an ENERGY STAR Partner of the Year, and the first time that the company has been recognized with the Sustained Excellence designation.

With cumulative cost reductions of nearly $13 million over the last 8 years, Hexion has driven an approximately 33 percent reduction in energy intensity through 220 distinct projects. Since beginning its partnership with ENERGY STAR, Hexion has also reduced its greenhouse gas intensity by 20 percent. In 2022, Hexion added the role of Utilities and Environmental Sustainability Leader to integrate ongoing energy efficiency and greenhouse gas reduction initiatives across the company.

ENERGY STAR Challenge for Industry Achievement

Natural Resources Canada recognized Hexion's Saint-Romuald, Quebec site for accomplishing the ENERGY STAR® Challenge for Industry in 2022. While the requirements were a 10 percent reduction in energy intensity within five years, the team at Saint-Romuald reduced energy intensity at the plant by 17.4 percent in three years. This outstanding result was driven in large part to blower downsizing projects that were successfully completed over the last couple of years.

The facility realized an average of 208,000 kwh/month in electricity savings. The new centrifugal blower is designed to provide recycle gas flows at lower operating conditions and flows at approximately 40 percent of the horsepower of the original positive displacement blower.

Since the installation of the new blower, the facility has realized a 28 percent reduction in electricity consumption per year. This project was paid in part with a grant from Hydro Quebec, demonstrating a strong partnership with its electrical provider.



Geismar, LA Site Awarded American Chemistry Council Energy Efficiency Award

Hexion's Geismar, La. facility significantly reduced the electricity consumed by its continuously operating production units by strategically revamping its cooling processes and making strategic investments in its infrastructure. This included installing variable frequency drives and automated controls logic on the cooling pumps to improve its cooling water tower electric efficiency.

Cooling Tower Efficiency Upgrades

Hexion continued its multi-year program to upgrade cooling tower systems to improve long-term reliability and provide the necessary cooling to operations as efficiently as possible. Cooling towers are a critical part of Hexion's operations and represent a major use of electricity and water. Equipment and control upgrades were completed on four additional cooling towers reducing electrical consumption by cooling towers by over 30 percent, saving 1,300 MWH of electricity. This is equivalent to the annual needs of 120 homes.

Associates Drive Earth Day & National Energy Awareness Month Campaign

Hexion's associates are a driving force in environmental and energy efficiency initiatives. In 2022, teams honored Earth Day and National Energy Awareness Month in October with an associate engagement campaign. During this month, associates were challenged to implement weekly energy tips, to complete an energy commitment pledge, and to take courses through LinkedIn Learning in areas of energy and waste.

Water and Waste

Water Use/Efficiency

In addition to completing a detailed water risk assessment at all Hexion sites, the company continues to prioritize reducing water consumption. Efforts include maximizing the reuse of water and reducing water required for cooling needs.

Sheboygan Process Water Recycle

The Sheboygan, Wisconsin facility recently completed a project to install the capability of utilizing process water in its operations, which reduces freshwater consumption, beneficially recover raw materials, and reduce the site's wastewater disposal footprint. The impact of this project was a reduction in freshwater consumption by 230,000 gallons, elimination of nearly two million pounds of process wastewater disposal, and removal of over 40 truck shipments from the roadways annually.

Rainwater Utilization

The Brisbane, Australia site completed an upgrade to secondary containment structures in the raw material area. As part of that effort the team considered how to accommodate the rainwater that was expected to be captured in the containment structures. Systems were installed to collect and utilize this water beneficially at the site. Through this effort the site was able to reduce its freshwater consumption from the municipality by roughly 3 percent.

Springfield Site Receives Certificate of Environmental Compliance

The Springfield, Oregon site received a Certificate of Environmental Compliance from the City of Springfield for 2021. This was the first award the site has received regarding perfect compliance with its wastewater discharge permit. The discharge permit is renewed every three years and allowable limits are often lowered, making compliance progressively harder to achieve.

Spills and Environmental Releases

Hexion has committed to reducing spill mass and releases by 80 percent by 2025. A Spills Reduction Team meets routinely to evaluate the spills reported to look for continuous improvement opportunities. Each site chooses a spill reduction tool that allows them to evaluate the spills occurring at the site and find opportunities to reduce or eliminate occurrences.









Social: Our People

The driving force for Hexion's success comes from an engaged global workforce where associates are empowered to drive innovation that benefits customers, fellow associates, the communities where we operate, and various stakeholders. Hexion is committed to fostering a culture of safety, well-being, integrity, and respect for others.









Associate Attraction, Engagement & Retention

Hexion's continued success is based on its ability to recruit, develop, and maintain an exceptional and diverse workforce. The company leverages a variety of strategic programs that are detailed below.

Voice of the Associate Survey

Hexion associates are the best source of knowledge of regarding the company's strengths and opportunities to improve. More than 85 percent of associates completed the 2022 Voice of the Associate Survey, a global survey that provided associates a channel to voice their opinion anonymously. The company utilizes this feedback to develop strategies to further create a safe, engaging, and inclusive environment where associates are empowered to do their best work.

Intern Program

The company's internship programs support the education of the next generation of promising associates. Hexion strives to teach the values of teamwork, creative solutions, process excellence, project leadership and integrity, while benefiting from new ideas that these exceptional students bring to the workplace. Interns also gain critical experience while working on cross-functional projects with a focus on sustainability. For example, during the summer of 2022, seven interns at Hexion's Columbus headquarters created an event focused on social sustainability. The fundraiser benefiting Open Door Columbus, an organization that provides individuals with intellectual and developmental disabilities with residential and day services, and raised 60 percent more than expected, while promoting collaboration and creating a positive impact on the community.

Pipeline Development Program

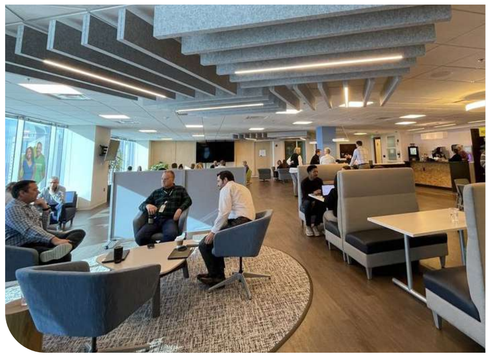
Hexion's Pipeline Development Program (PDP) is designed to accelerate the personal and professional growth of recent graduates through hands-on project-based learning, under the leadership of industry experts. PDP introduces each participant to the diverse functions of a dynamic chemical manufacturing business through the completion of four separate six-month long projects in several functional areas. As they explore different aspects of Hexion's business, associates receive thorough technical and developmental training to continue to mold them into a leader that meaningfully contributes to the future of Hexion. Each participant demonstrates leadership skills and ingenuity in solving real-world problems within an environment focused on continuous improvement in safety and sustainability. For instance, one PDP participant worked closely with the procurement team to help source the first tanker of bio-methanol used at Hexion's Baytown, TX site.

Benefits and Associate Well-being

Hexion is committed to being considered an employer of choice by offering important benefits and programs to improve the quality of life for associates. It is important that benefits reflect the company's commitment to associate' well-being and diversity, equity, and inclusion. In 2022, we expanded the U.S. benefit offerings that were a collaborative effort reflecting input from the Business Resource Groups and the Voice of the Associate Survey. These benefit enhancements include additional vacation time, paid parental leave and pregnancy-related medical leave, paid volunteer time, enhanced military leave and more robust and inclusive bereavement leave.

Hexion's well-being program is supported by a cross-functional global committee and regularly promotes best practices around the four pillars of associates' well-being: Community, Financial, Mental, and Physical. For example, Hexion's Australian based leadership team completed a course on Mental Health First Aid where participants learned about the signs and symptoms of mental health and the practical skill needed to support someone experiencing a mental health problem. Hexion also offers an Employee Assistance Program (EAP) to all associates and their household members. This program provides free support and resources for life's everyday challenges including in the moment emotional support, short-term counseling, and access to financial and legal advice.

Hybrid Work Model & Office Renovations



Innovation inspires Hexion associates—even in shaping it's workplaces. In June 2022, the company transitioned to a hybrid work environment at its corporate offices. During the recent Voice of the Associate Pulse Survey, more than 90 percent of associates said it was "very important" for the organization to provide a hybrid work model." Hexion's goal is to balance associate safety, well-being, and the need to collaborate and connect.

Hexion's Columbus headquarters offices were recently renovated to create collaborative workspaces that foster a hybrid work model while honoring its commitment to sustainability. In partnership with Green Standards, 94 percent of these assets that would have been headed to a landfill were donated or recycled. This partnership allowed Hexion to turn 18 tons of corporate waste into nearly $5,000 worth of charitable donations, while also reducing carbon emissions and other forms of pollution.

Associate Retention

NICK TEETER



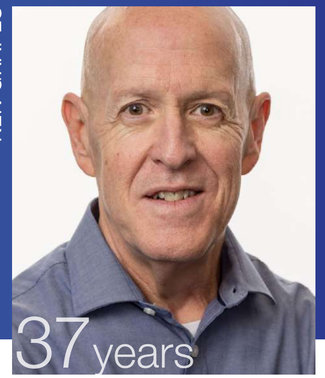
When asked why he has stayed at Hexion for 43 years, **Nick Teeter**, Site Leader at Hexion's Portland, Oregon plant says "The culture this company has built, and the relationships you build with the people here are irreplaceable. I could not be prouder to say that I work for this company."

MARK DELEEUW



Mark Deleeuw, Logistics Supervisor at Hexion's Edmonton, Canada plant agrees that the people are the reason he has stated at Hexion for more than 25 years. Mark says, "My favorite part of my job is the engagement with people. I believe there has always been good people at Hexion and good people associate with good people."

KEN GRAPES



Ken Grapes, Procurement Director—Indirects, who has been at Hexion 37 years says, "Two things have kept me with the company. First, I've had opportunities here that I would not have elsewhere. Whether it was my start in a lab in Cincinnati, implementing computer systems in Asia, or negotiating contracts, there has always been something to learn and a way to grow. Second, I work with incredible people. Regardless of the function or country, the people here care about each other and want to see each other succeed. I left the company for a few years, and these two reasons played a big role in me coming back."

Associate Health & Safety

Ensuring the health and safety of associates, customers, communities, and stakeholders is considered Hexion's "social" license to operate. Since Hexion began training and tracking Severe Incident Factors (SIFs) in 2013, the Company has decreased SIF injuries by over 80 percent. This means that associates and contractors are experiencing significantly fewer incidents that carry the potential to cause serious or permanent harm.

Get zero GET HOME



Hexion's global Occupational Illness and Injuries Rate (OIIR) for U.S. operations in 2021 was 0.35, which placed the Company in the second quartile of comparable American Chemistry Council companies. The Company's 2022 U.S. OIIR was 0.39 and our global OIIR was 0.57.

Safety Engagement and Culture

Policies, standards, and guidelines can be viewed as just words. However, the safety mindset of Hexion's associates is what turns those documents into effective practices. The Get Zero Get Home safety culture initiative continually looks for ways to promote hazard recognition and exposure reduction. Focused campaigns, events, contests, and programs are coordinated throughout the year to keep associates engaged and focused on safety. These included: a "New Year's Safety Resolution" to refocus on a safety mindset to begin the year; an EHS Calendar Art Contest to encourage taking the lessons of safety home; and a "Finishing Strong" series to reinforce the need to stay focused on safety basics during the holidays and end of the year.



Hexion's largest ESG engagement initiative in 2022 was the EHS Games. More than twenty teams from our global sites created approximately 50 activities to compete in the EHS Games, a contest designed to solicit safety and sustainability best practices directly from our associates. Activities were offered in five different categories: Behavioral Safety, Sustainability, EHS Programs, Wellness, and "Get Zero Get Home" Safety Culture Practices. A gold, silver and bronze medal was awarded to an activity or best practice in each category. These new and creative safety and sustainability suggestions were shared with all of Hexion's manufacturing sites.



Diboll, Texas Site Celebrates 10 Years without a Recordable Injury

The Diboll facility and laboratory celebrated 10 years without a recordable in 2022. In true East Texas fashion, they celebrated with a family picnic and bass fishing tournament. Lacy Wood, Vice President, Environmental Health and Safety, Operations stated: "This remarkable achievement was only possible through a strong safety program combined with a strong commitment to the safety culture both at work and at home."







Career Development & Education

Hexion is committed to supporting associates throughout their career path to enable them to reach their greatest potential while offering new opportunities whenever possible. Several strategic human resource programs are in place and described below to facilitate ongoing professional development.

Continuous Performance Development

Continuous Performance Development (CPD) was introduced in 2022 to drive ongoing associate development discussions monthly versus a once-a-year performance review. This method includes discussion prompts to ensure managers and associates discuss more than just goals. CPD is focused on building trust, giving real-time feedback and recognition, and investing in relationships. Discussions include well-being check-ins, manager and associate feedback, and career goals. Goals set within CPD can be measured and tracked in Success Factors, helping both managers and associates keep the momentum of the discussion throughout the year.

Strategic Talent Management

Hexion's Strategic Talent Management (STM) efforts create a robust and consistent pool of talent to drive future growth, while providing development and advancement opportunities for associates. The Company regularly identifies associates for individual career coaching to further develop their skillset. Development may include coaching, internal and external training, professional memberships, on-the-job experiences and projects, and exposure to different areas of the Company. The STM process is supported by a global team of nearly 20 internal coaches.

LinkedIn Learning

In September 2022, Hexion launched LinkedIn Learning® as an important component of the company's post-pandemic learning and development strategy designed to provide blended learning experiences of both in-person and virtual offerings. LinkedIn Learning is available for all Hexion associates. In the first six months of the program, nearly 60 percent of Hexion associates have activated their LinkedIn Learning licenses and have viewed almost 9,000 course videos.

Labor and Human Rights

The 2022 EcoVadis sustainability assessment rated Hexion as having "advanced performance" for the Labor and Human Rights subcategory. The company expanded its Code of Conduct with policies on Human Rights and require annual DEI associate training.

Hexion is committed to human rights and collaborates with its suppliers to ensure the transparent, ethical, and fair treatment of individuals and communities where it operates. Hexion typically requires, as a condition of contract, that all direct suppliers of services and materials comply with applicable laws and regulations, which would include labor laws.

Diversity, Equity, & Inclusion

Hexion is committed to building a diverse and inclusive workforce, while fostering an environment of support, respect, and belonging. This focus enables associates to bring their authentic selves to work each day leading to the success of their own careers and the Company.





For All.

Diversity, Equity & Inclusion

In 2022, Hexion introduced its Diversity, Equity, and Inclusion (DEI) brand — "For All" — to amplify the work behind its DEI strategy and to underline the invaluable contributions of the Business Resource Groups (BRGs). "For All" is intended to communicate the experiences, voices, faces, and backgrounds of Hexion's associates.



Meet Karen Fowler, Hexion's DEI Leader

Hexion has implemented a business-focused and collaborative Diversity, Equity, and Inclusion (DEI) strategy that supports all levels of the organization. The impact can be seen through our strategic human resource initiatives that focus on associate recruitment, retention, total rewards, and engagement. With more than thirty years of experience designing award winning DEI programs, Karen Fowler, Director of Global Diversity, Equity and Inclusion, shares her process for continuously strengthening the company's DEI initiatives.

What were the first steps you took to build DEI at Hexion?

"Our DEI journey began with senior leadership and a management team who understood the benefits of DEI. We presented them with a comprehensive, global business focused DEI strategy, and soon rolled out training for the Executive Leadership Team and all global leaders across Hexion. This included the framework for BRGs and development of talent metrics for hiring and retention of women and people of color."

What are the key areas of focus in your DEI strategy?

"Internally, the key focus is on our business and how utilizing DEI tools improve our work process, our innovation, and our relationships with our associates. This is what leads to ensuring the Company has a broad mix of top talent which is critical for business-building, innovation, brand-enhancing, and sustainability. Externally, we are focused on growing relationships with organizations that have similar interests in STEM education, Basic Needs, Health, and Social Justice. Engaging with these communities strengthens supplier diversity and is a vital part of how we serve our community in an inclusive manner."

How does Hexion integrate DEI into daily work life?

"We have been committed to safety 24 hours a day, 7 days a week. We integrate the principals of DEI in the very same manner. It starts with education, followed by practice, and becomes a part of our unconscious behavior, our culture, and our daily life. We have demonstrated the importance of DEI to our associates with the launch of new family friendly associate benefits, empowering new business resource groups, engaging in diverse recruiting sources, and detailing our Mutual Respect policy."

What are some of the influential partnerships Hexion has made to strengthen our DEI strategy?

"Hexion has partnered with the National Diversity Council (NDC) since 2021 to enhance our alignment and education of DEI as a business imperative. Hexion participated in the Ohio Diversity Council's National Manufacturing Diversity Summit and other events to bring back best practices around education and development, inclusion, associate retention, supplier diversity programs, women in leadership, LGBTQ+, recruitment, etc. To date more than 450 global associates have attended these symposiums and workshops. Their commitment and understanding moves us towards a more equitable workplace for all our associates."

Business Resource Groups

Hexion continues to advance its DEI strategy through Business Resource Groups (BRGs). Associates work voluntarily to improve inclusive engagement with fellow associates on special interests or commonalities. While BRGs are special interest based, they are open to all Hexion associates, whether as someone that identifies with a particular BRG or as an ally. The BRGs continue to share their personal experience, provide education, increase awareness, and advocate for professional growth and development for all associates while supporting the vision, mission, and values of Hexion.





Women@Hexion

Women@Hexion are committed to fostering the advancement of women and building a corporate culture in which women associates are recruited, valued, developed, retained, and promoted globally. They are 146 members strong and represent associates from seven countries. Their educational strategy has included recognizing of women associates throughout Hexion during Women's History Month, promoting a series of videos focusing on financial literacy, hosting guest speakers with presentations on "Standing Out in a Sea of Voices" and "Path to Work/Life Harmony", and smaller conversation circles designed for participants to discuss overcoming impostor syndrome.

PRIDE@Hexion

The PRIDE@Hexion BRG formally launched in June 2022 with Hexion's inaugural participation in the Stonewall Columbus Pride March and a guest speaker presenting how to turn allyship into action. PRIDE@Hexion's mission is to build a global space for our associates to be their authentic selves, and to provide resources and information for those who identify as LGBTQIA+ and allies. More than 100 associates from four countries make up the membership of PRIDE@Hexion.

Hexion became an Inclusion Sponsor for the Ohio Diversity Council LGBTQ+ Unity Summit, hosted in June. As part of this sponsorship, more than 20 associates from all our BRGs participated in the Summit and joined this important conversation. The company also joined more than 400 leading U.S. employers in support of the Human Rights Campaign's Business Coalition for the Equality Act, which is pursuing federal legislation that extends the same basic protections to LGBTQ people as are provided to other protected groups.

AfricanDiaspora@Hexion

The AfricanDiaspora@Hexion BRG is committed to advancing the professional experience of not just African Americans at Hexion, but all global associates who identify as having ancestry from the continent of Africa, whether people in their lineage immigrated or were part of the enslaved population spread across the globe. Membership consists of more than 50 associates from four countries.

Black History Month was recognized through a series of educational stories published on Hexion's intranet to honor many great achievements by Black scientists and inventors. The company also hosted guest speakers on Black health and wellness. The internal campaign also listed many other educational opportunities such as online discussion forums, virtual field trips to museums, and ways to support Black businesses.

Affiliate: Respeito For All.

In 2022, to support Hexion's associates in Brazil, the first affiliate chapter representing Women@Hexion, African Diaspora@Hexion, and PRIDE@Hexion formed to work on all BRG themes and missions in an intersectional and unified manner. This has allowed the team to modify programing from other BRGs to best suit their local culture.

Respeito For All welcomed Rafaelly Wiest, a well-known transgender advocate and representative for Dignity Group working to enhance visibility for diversity, at the Curitiba, Brazil, site. Wiest hosted a workshop supporting Hexion's initiative to be a more inclusive and diverse workplace. Other events and lectures the group coordinated included empowerment for women through personal finance management, mental health, and vulnerability of BIPOC and LGBT+ populations.

Inspired by the initiative of Hexion For All, Hexion's Curitiba, Brazil facility commissioned native Brazilian artist, Cleverson Café to design and paint a mural which seeks to encourage conversations among all employees of the Company. The creation depicts the image of a mirror, the present looking to the past, and is titled "Drawing New Futures."











Social: Our Communities

At Hexion, the work doesn't end at the plant or in the office. Rather, the company positively engages with the communities where associates live and work. In addition to financial support, Hexion's associates get involved in a variety of ways, such as volunteering, fundraising, and collecting donations.

Hexion Cares

Hexion recognizes the positive impact volunteering has on the well-being of its associates, as well as the communities where we operate. "Hexion Cares" is the brand Hexion leverages to show its commitment and further encourage engagement opportunities. To recognize U.S.-based associates volunteer interests, Hexion associates can take up to two scheduled workdays off annually to volunteer at a registered nonprofit or United Way agency.

Hexion gives generously to many nonprofits and organizations. For instance, Hexion's support of United Way of Central Ohio began in 1996 and the Company has donated more than $6 million in associate-matching corporate contributions over this time. In 2022, Hexion raised more than $150,000 for the United Way of Central Ohio.

In 2022, Hexion's corporate charitable contributions totaled more than $480,000, and associates globally logged more than 2,200 volunteer hours.

During a United Way fundraising campaign, associates from Hexion's corporate headquarters also showed their compassion for the community by volunteering with Meals on Wheels, cleaning classrooms and gardens at Columbus Early Learning Center, and by packaging nearly 3,500 meals for Children's Hunger Alliance.

Key Philanthropic Pillars

Hexion's philanthropic support has centered on several key pillars, including Science, Technology, Engineering, and Math (STEM) Education; Basic Needs; Health; and Social Justice.

STEM education

As pioneers of a higher chemistry, Hexion supports organizations involved in STEM education as well as local schools and early education programs. Hexion is motivated to foster and develop programs for students at all levels of education.

FOSSI scholarship program

Since 2020, Hexion has supported the Future of STEM Scholars Initiative (FOSSI), the chemical industry's collaborative equity, diversity, and inclusion initiative aimed at creating pathways for more underrepresented groups to enter and succeed in science, technology, engineering, and math (STEM) careers in the chemical industry. FOSSI is a partnership between the American Chemistry Council, the American Institute of Chemical Engineers, Chemours and the Historically Black Colleges and Universities Week Foundation, which provides opportunities for companies to fund scholarships, provide internship opportunities and facilitate mentoring and leadership training for students majoring in STEM at Historically Black Colleges and Universities (HBCUs). Hexion currently sponsors two scholars representing an investment of nearly $100,000.

Beyond Benign

As part of its ongoing support of STEM initiatives, Hexion is serving as a Founding Partner of the Green Chemistry Teaching and Learning Community (GCTLC), a joint initiative of Beyond Benign and the American Chemical Society Green Chemistry Institute.

The GCTLC is a virtual community designed to help transform chemistry education programs across the U.S. and the world. When launched in 2023, it will be a clearinghouse of peer-reviewed, open-source green chemistry materials including greener lab experiments, lecture materials, classroom activities, and more. The GCTLC will also host online spaces for collaboration, networking, mentorship, and peer-to-peer learning for thousands of educators (including K-12, university, and college faculty), students, and industry stakeholders.









Basic Needs

Children's Hunger Alliance

Hexion's continued support of Children's Hunger Alliance and its mission to provide nutritious meals to at-risk children throughout Ohio led the Company to sponsor the "Menu of Hope" event in 2022. Hexion associates also volunteer with CHA to package weekend meals for students.

Homes for Families

Homes for Families (HFF) works to provide housing, financial and educational stability for families in Central Ohio. In August 2022, Hexion associates hosted a donation drive for school supplies and backpacks helping HFF serve Franklin and Licking County public school students. Hexion also supported a toy drive during the holiday season and reached more than 1,000 families.

Habitat for Humanity

As part of the most recent partnership with Habitat for Humanity, Hexion provided funding for a new home. In December 2022, the Company assisted in the wall raising of that home in Central Ohio. Teams from Hexion have continued to volunteer to help finish construction of the home. In addition, more than 30 associates volunteered to design, build, and decorate three playhouses for local children through the "HFH Playhouse Blitz Project," which provided children with a safe place to play and imagine what home means to them.

American Red Cross

Hexion is a long-time supporter of the American Red Cross, which is an organization providing recovery assistance, disaster relief, and disaster preparedness education in the United States. Most recently, Hexion became involved with the Resilient Community Project, a program that hosts communal block parties to provide physical and behavioral health screenings, blood drives, volunteer recruitment, community engagement, and safety and first aid training. In 2022, three of these block parties were held for families in underserved neighborhoods within Greater Columbus reaching thousands of residents.

Health

Pelotonia

In 2022, 23 Hexion riders raised more than $50,000 for Pelotonia, a non-profit organization bringing communities together to fund innovative cancer research at The Ohio State University James Cancer Center. Since 2012, more than 200 Hexion associates have volunteered for this fundraising ride and raised more than $600,000 for cancer research. Each rider has demonstrated a special connection to Pelotonia and their "One Goal: End Cancer" mission.

"Hexion consistently has a dedicated, passionate contingent of riders and volunteers that participate each year," said Cassidy Horton, Hexion's Pelotonia captain. "The Hexion Peloton members bring an energy and joy to fundraising each year, which keeps me coming back to serve as captain and ride for Hexion."

American Heart Association

Since 2009, Hexion has joined with the American Heart Association (AHA) in fighting heart disease and stroke by raising nearly $250,000 and serving as the Start Line sponsor of the Central Ohio Heart Walk. In 2022, more than 130 associates and family members participated in the Heart Walk. Hexion also hosted local experts from OhioHealth for a Community Conversation focused on stroke and maternal health. The AHA is also focused on addressing heart disease and stroke among diverse populations, which further aligns with Hexion's DEI commitment.

Social Justice

Big Brothers Big Sisters

The need for mentors and support for Big Brothers Big Sisters (BBBS) continues to increase and Hexion is committed to growing its relationship with the organization. Hexion's Business Resource Groups proudly became a Bronze Alley sponsor for the "2022 BBBS Bowl for Kid's Sake" event. Supported in part by Hexion's sponsorship, BBBS provides children facing adversity with strong and enduring, professionally supported on-to-one relationships that can positively impact their lives.

YWCA Columbus

Hexion and the Women@Hexion BRG supported the YWCA Columbus Activist and Agitators 2022 event whose mission is to eliminate racism, empower women and promote peace, justice, freedom, and dignity for all.

Global Community Engagement

Hexion's community support goes beyond its global headquarters as many facilities support a variety of local charities.





Fayetteville, North Carolina

A cross section of associates from Hexion's Fayetteville site and other locations volunteered with Off-Road Outreach, a charity that supports U.S. military veterans. Associates sorted clothing and helped prepare Veterans for job interviews following their military service.

Curitiba, Brazil

The Curitiba team in Brazil hosted several community focused events, including:

- A winter coat and boot collection to donate to FAZDI, (Projeto FAZendo a Diferença), an organization that helps those with chemical dependencies.
- Collected items for non-perishable necessities for Project SOS Vila Torres, which supported residents affected by the COVID-19 pandemic.
- Supported a national campaign raising awareness for "Na Mão Certa Program," which translates to "On The Right Track." This program's mission is focused on ending the sexual exploitation of children and teenagers on Brazilian highways.

Missoula, Montana

The Missoula site assisted the Missoula Fire Department in containing a large diesel spill that was not associated with the site's operations. A truck nearby had punctured their gas tank and the company assisted the Fire Department by safely off-loading the remaining fuel from the leaking tank into Hexion's fuel tank by using hand pumps and a siphon.

Diboll, Texas

Hexion's Diboll Site proudly supported "Diboll Day," a biennial celebration that started back in 1953 by a nonprofit organization to raise money to support a variety of projects, such as the public library, community civic center, Old Orchard Park, Sage Temple Child Care, the Boys and Girls Club, senior citizens transportation center and many other civic projects.

American Coatings Show Fun Run

Several Versatic™ Acids and Derivatives associates participated in the third annual Fun Run, a fundraiser to boost student participation at the American Coatings Conference.

Louvain-La-Neuve, Belgium

Hexion's Louvain-La-Neuve team supported the European Association against Leukodystrophy (ELA), which funds research dedicated to new therapeutic strategies in the fight against leukodystrophies. In October 2022, Hexion associates participated in the 16th edition of the ELA run & walk fundraiser.









2022 Awards and Recognitions

Columbus Early Learning Center

For more than six years, Hexion has partnered with the Columbus Early Learning Center (CELC), a local organization providing family services and childcare services. In January 2023, CELC named Hexion as the “Keisha Gibbs Outstanding Volunteer Group Award” for the Company’s longstanding involvement, Board of Directors service, and financial support. Hexion associates have supported the mission of CELC through a variety of volunteer activities, including cleaning, moving furniture, sponsoring a petting zoo, painting, and landscaping.

Homes for Families

In October 2022, Hexion received the “Community Impact Partner Award” for its long-standing support of Home for Families (HFF), an organization dedicated to homeless prevention and re-housing, education, and stability programming.

Business First Corporate Citizenship Award

In 2022, Columbus Business First named Hexion as a recipient of the “Columbus Corporate Citizenship Award,” which identified Hexion as one of Central Ohio’s most civic minded and generous companies.

Corporate Citizenship





Key ESG Metrics

Social Metrics	2022	2021	2020
Total associates	1,324	1,340	1,338
Total percent of female associates	24%	23%	22%
Female associates in leadership roles	22%	20%	19%
Ethnic diversity (US Workforce)*	29%	29%	30%
Veteran associates (US Workforce)	11%	10%	10%
Training hours per associate	6.25	5.5	6.34
Internal promotion**	10%	8%	6%
OIIR rate	0.57	0.39	0.46
Employee fatalities	0	0	0

Environmental Metrics	2022	2021	2020
Total Scope 1 and 2 (CO_2e)	267,349	286,674	261,444
Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, MWH	6,072		
Energy intensity	0.170	0.159	0.165
GHG Emissions intensity	0.079	0.078	0.081
Percent of reduction in GHG against baseline (2017)	14.9%		

*US associates identifying as one or more ethnic minority categories
**Percent of associates with changes in track/level over the year

