

2021 Sustainability Report





A Message from our Chairman, President and CEO

Dear Stakeholder:

I am pleased to share that our associates once again delivered on our sustainability commitments in 2021. In a transformational year for Hexion, we remained focused on operating our plants safely, providing the enabling technology for our customers' products and supporting the communities where our associates work and live. All of this occurred while we were also making significant changes to our portfolio through two significant divestitures. In a year that could have presented any number of challenges based on the sheer amount of change, our global teams leveraged our strategic sustainability initiatives to steadily guide our business and create shareholder value.

Committed to Safety: Get Zero. Get Home

We continued to drive year-over-year improvement in several key safety metrics, including:

- When compared to other chemical companies that share safety performance data with the American Chemistry Council, we drove recordable injury rates to well below the average for companies our size. While we always strive for zero incidents, 2021 saw us record the lowest Occupational Injury and Illness Rate (OIIR) in our history.
- Our total "Environmental Events," which includes any reportable releases and/or wastewater or air exceedances, was also the lowest in our history.

These results are part of our multi-year initiative to reduce exposures, enhance our safety culture, further align our manufacturing and EHS teams, and build on our associates' commitment to each other to remain vigilant as part of our "Get Zero. Get Home" safety initiative.

Focused on Greenhouse Gas Reduction

Our 2030 sustainability commitments were formally introduced in late 2020 and reaffirmed last year when we refined our Greenhouse Gas Reduction (GHG) initiatives.

Our GHG commitment calls for us to reduce our absolute carbon emissions by 20 percent by 2030 for our Scope 1 and Scope 2 emission, which are direct and indirect GHG emissions from operations and consumed energy. We also continue to actively plan for larger reductions over time that also include our "Scope 3" emissions, which encompass all other aspects of our operations.

We expect to continue to make significant progress in waste reduction, energy efficiency and other key sustainability metrics, in 2022 and going forward. To better evaluate climate-related risks and opportunities over time and throughout our value chain, Hexion will conduct a scenario analysis aligned with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

WE SUPPORT



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.

Portfolio Optimization

The management team and our Board of Directors continued to drive strategic value creation initiatives throughout the year resulting in the following transactions:

- In April 2021, we completed the sale of our Phenolic Specialty Resins and European Forest Products businesses.
- In November 2021, Hexion Holdings Corporation ("Hexion Holdings") announced that it entered into a definitive agreement to sell its epoxy-based Coatings and Composite businesses, which includes the epoxy specialty resins and base epoxy resins and intermediates product lines (together, the "Epoxy Business") for approximately \$1.2 billion to Westlake Chemical Corporation (NYSE: WLK). On February 1, 2022, Hexion Holdings announced that it had completed the sale. We've elected to still highlight the many contributions of the Epoxy Business in 2021 in this report.



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- In December 2021, Hexion Holdings announced that it entered into a definitive agreement to be acquired by affiliates of American Securities LLC for \$30.00 per share in cash. On March 15, 2022, the transaction was completed.

Even as we made significant changes to our portfolio of businesses, our commitment to sustainability remained constant.

Marking our Milestones

We were pleased to be recognized for our progress to date with our sustainability initiatives, including:

- In June 2021, Hexion announced that it was ranked among the top four companies in the North American chemical sector according to an environmental, social and governance (ESG) Assessment from V.E, part of Moody's ESG Solutions. V.E's ESG Assessments measure the extent to which a company is managing ESG-related risks and opportunities.
- In April 2021, Hexion announced that it received its first ENERGY STAR® Partner of the Year award, one of the highest honors bestowed by the United States Environmental Protection Agency's ENERGY STAR program, for our multi-year waste reduction and energy efficiency improvements.
- The Epoxy Business, now owned by Westlake Chemical Corporation, was recognized by The Society of Plastic Engineers' (SPE) at its Annual Automotive Innovation Awards Program for an EPIKOTE™ epoxy resin system specified by Rassini and found in Ford Motor Company's F-150 pickup truck. In addition, Daimler was recognized as the "Grand Innovation SPE Award" winner by SPE with their submission of a gearbox carrier, which leverages the EPIKOTE Resin TRAC 06398 based epoxy system.

Creating a Pipeline of STEM Talent by Partnering with Historically Black Colleges and Universities

We have a long history of supporting initiatives that support children, the less fortunate, health and wellness, and Science, Technology, Engineering, and Mathematics (STEM) education at all levels. One of the most impactful initiatives that we've supported is the Future of STEM Scholars (FOSSI) Scholarship Program. FOSSI is a partnership between the American Chemistry Council, the American Institute of Chemical Engineers, Chemours and the HBCU Week Foundation.

FOSSI provides opportunities for chemical manufacturers, supply chain partners and affiliated industry stakeholders to fund scholarships, provide internship opportunities and facilitate mentoring and leadership training for students majoring in STEM at Historically Black Colleges and Universities. After the program's inaugural year in 2020, we doubled our commitment in 2021 to support the chemical industry's collaborative equity, diversity, and inclusion initiative aimed at creating pathways for more underrepresented groups to succeed in STEM careers.

Business Resource Groups Strengthen Global Connections for our Associates

We continue to strengthen our broader Diversity, Equity and Inclusion initiatives for our global associates. One important aspect of this is our Business Resource Groups (BRGs). BRGs are open to all Hexion associates, whether as someone that identifies with a particular BRG or as an ally.

In 2021, we continued the momentum of our "Women at Hexion" BRG, which is geared toward professional and personal growth of Hexion women associates. Last year, we launched the

"African Diaspora@Hexion" BRG. This BRG is focused on 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. In early 2022, we formed "PRIDE@Hexion" as the newest BRG. PRIDE@Hexion's mission is to build a global space for our associates to be their authentic selves, and to provide critical resources and information for those who identify as LGBTQIA+ and allies. We also encourage our associates to raise interest in forming future BRGs as part of our efforts to drive greater business performance and create an inclusive culture.

In closing, 2021 demonstrated our ability to operate our plants safely, create new products with sustainable benefits and engage in our communities. We believe we're well positioned to continue to be a responsible partner for all our stakeholders—an approach that we reinforce daily as part of our commitment to "Responsible Chemistry."

Sincerely,



Craig Rogerson
Chairman, President and CEO

Governance

Hexion’s Board of Directors continues to guide strategic planning regarding Environmental, Social and Governance (ESG) risks and opportunities through quarterly discussions about various ESG special topics and progress towards goals. The Board’s Environmental Committee has overall responsibility for the organization’s sustainability efforts, vision, policy and strategy. The Compensation Committee of the Hexion Holdings Corporation Board of Directors sets the principles and strategies that guide the design of our executive compensation program, which includes several Environmental Health and Safety metrics.

In order to better understand ESG risks and opportunities, Hexion initiated a project in December 2021 to educate leadership on the Task Force on Climate-related Financial

Disclosures (TCFD) as a strategic planning platform to drive a greater level of understanding of potential climate risks and opportunities to support the Company’s future ESG strategy. The Company’s strategic planning process includes:

- Performing an annual risk assessment, which includes interviews with the SLT, the Board Chair and Audit Committee Chair (see chart);
- The assessment is conducted by Risk Management, Compliance and Internal Audit;
- Top Risks are identified, and mitigation strategies are reviewed and implemented;
- The results of the assessment are presented to the full Board annually; and
- The Risk Committee subsequently receives an update on the risks and mitigation activities.

Overview of Annual Risk Process:

Senior Leadership Interviews	Annual Risk Assessment Survey	Leadership Top Risks Survey
• Fourteen individuals including the Lead Director and Audit Committee Chair were interviewed directly by Internal Audit, Risk Management, and Legal & Compliance. • The Top 10 Risks were identified, and their mitigation strategies will be further reviewed.	• Conducted during April 2021 and included more than 50 questions covering financial, operational, strategic, external, and compliance risks. • Survey sent to 345 associates with a response rate of more than 90 percent. • Survey participants included a broad cross section of leaders throughout the company.	• Conducted during April 2021. • Approximately 20 questions were posed rating the potential impact and likelihood of each risk. • Survey sent to nearly 60 members of senior leadership, with nearly 40 completed (some results included via interview feedback).

Ongoing Compliance Training

Hexion continued to provide its associates with online and live training on various compliance topics this year, including: Anti-bribery, Conflicts of Interest, Gifts and Entertainment, and Mutual Respect. Compliance training and related associate content is readily available at the Company’s intranet, known as Hexion Connect.

2021 Compliance Initiatives

In 2021, Hexion also completed several new compliance actions.

- Adopted a new Social Media Policy that has been translated into eight languages and assigned to associates as a SuccessFactors training course;
- Enhanced its controls on Insider Trading, Anti-trust and Anti-Bribery;
- Enhanced its controls and processes for doing business with competitors;
- Added controls and monitoring of restricted parties and relationships with State Owned entities.



Materiality Assessment

Hexion's sustainability goals are the key to ensuring alignment of our values and focus on meeting the expectations of our key stakeholders such as associates, suppliers, customers, investors and others.

As part of its corporate ESG strategy and planning initiatives, Hexion completed an updated materiality assessment in 2020. During this assessment, we engaged with various internal and external stakeholders with support from ERM and the Datamaran software solution. Datamaran is the market leader in ESG risk management and allows us to continuously monitor trends in material topics in order to shift ESG focus as needed.

Based on its latest materiality assessment, Hexion identified the following topics to be most material:

- Product Sustainability
- Innovation, Research and Development
- Climate Change
- Associate Safety and Well-being
- Product Stewardship
- Spills and Environmental Releases

While not limiting our sustainability efforts to these focus areas alone, these topics drove creation of Hexion's current sustainability goals and metrics.



2030 Sustainability Goals

Hexion subsequently aligned its strategic sustainability goals with Sustainable Development Goals (SDGs). SDGs are 17 goals with 169 targets that all UN Member States have agreed to work towards achieving by the year 2030. They set out a vision for a world free from poverty, hunger and disease.

SDGs also enable companies to:

- Better manage their risks;
- Anticipate consumer demand;
- Build positions in growth markets;
- Secure access to needed resources; and
- Strengthen supply chains.

More about SDGs at www.un.org/sustainabledevelopment.

Hexion has initially identified six of these goals where the Company believes it can have a significant impact.

These include:



Hexion's slow-release nitrogen technology reduces nitrogen losses to the environment while potentially increasing yield.



In addition to our goal to reduce spill mass by 80% by 2025, our focus on Product Stewardship supports the sound management of materials throughout their lifecycle.



At Hexion, we are committed to the health and safety of our associates, our communities and the environment.



Hexion strives to protect against climate change throughout our 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 our associates, decreasing operating costs and supporting our customers' sustainability goals.



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

Operational Excellence

First and foremost, acting sustainability focuses on maximizing safety for our associates, customers and communities. This commitment is built into every aspect of Hexion's business. In addition to our focus on safety, Hexion strives to operate its plants and offices in a sustainable fashion. As part of this commitment, the Company closely monitors multiple operating metrics—from water and waste to energy consumption and greenhouse gas emissions. This information is then shared across our organization with a focus on continually improving our processes to reduce environmental impacts.

Success is measured based on the following metrics:

- Employee Health and Safety;
- Environmental Events and Spills;
- Water Consumption;
- Waste Generation;
- Net Energy Consumption and Production;
- Greenhouse Gas Emissions;
- Net Scope 1 and Scope 2 Carbon Dioxide Equivalent (CO₂e) Emissions.

Emergency Preparedness and Response

Hexion's EHS Policy is designed to guide the Company's ability to respond appropriately to emergencies that might arise as a consequence of our operations and/or products. Hexion's EHS corporate Management System standards drives risk assessments in our operations to understand hazards and their potential consequence to people, environment, and assets.

The Company also leverages global standards throughout its operations outlining the steps to effectively manage the risk of serious injuries or fatalities. The standards include: key Chemical Processes; Confined Space Entry; Hot Work; Lock out Tag out; Powered Vehicle Safety; 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. All 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.

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 done regularly. Joint-response drills with local EMS, first responders and community members are a practice that develop relationships and improve preparedness of associates, and external stakeholders. A crisis management plan at a corporate level is implemented to support the local emergencies to provide support on staffing, resources and communications.

Recent Successes

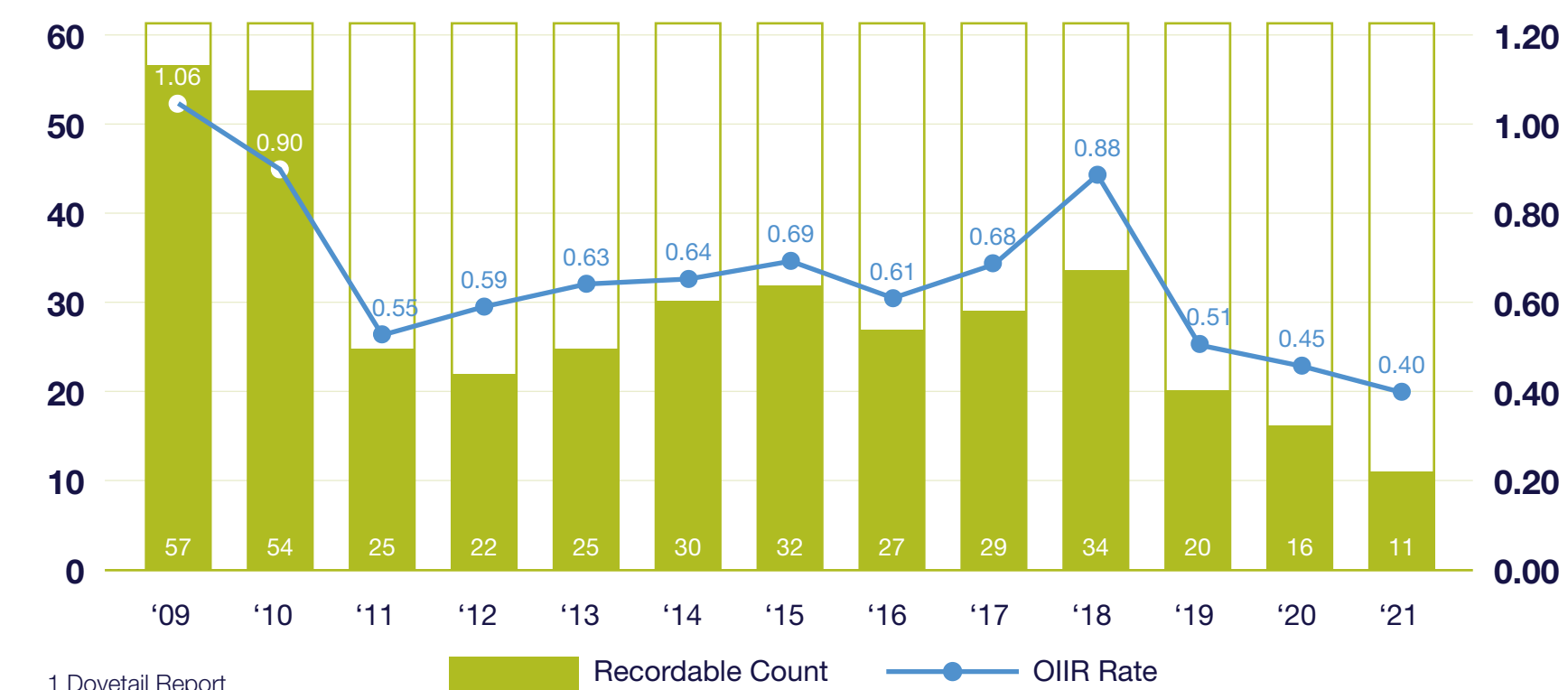
Safety and Responsible Care® Awards

Hexion received the American Chemistry Council's (ACC) Responsible Care® award in recognition of its efforts to keep employee health and safety and environmental sustainability at the forefront of its operations.

The ACC highlighted the following achievements:

- **Outstanding COVID-19 Response Efforts** – Beginning with the first reports of the virus, Hexion leadership coordinated with regional managers to implement Environmental Health and Safety practices to protect associates. We also established a COVID steering committee of senior leaders to ensure appropriate risk management measures based on local infection rates around the globe. Manufacturing sites were repurposed to produce approximately 25 metric tons of hand sanitizer for both external and internal use. Throughout the year, Hexion facilities also contributed chemical products and donated personal protective equipment (PPE) wherever possible for COVID-19 relief, as well as providing financial and in-kind contributions to communities.
- **Facility Safety** – Twelve Hexion facilities were also recognized for their achievements in employee health and safety, including 11 plants which received Certificates of Excellence for meeting the most stringent safety criteria. These sites included Acme, NC; Alexandria, LA; Argo, IL; Baytown, TX; Deer Park, TX; Diboll, TX; Geismar, TX; Hope, AR; Missoula, MT; Moreau, NY; Portland, OR; and Sheboygan, WI.
- **Water and Energy Efficiency** – A boiler feedwater recovery effort at Hexion's Geismar, LA facility resulted in savings of more than 10,000 MMBTU's of energy and 12 million gallons of water annually, and a net improvement in carbon dioxide impact of 579 metric tons. Hexion's former Louisville site was recognized for its success driving nearly a 5 percent annual reduction in natural gas consumption by improving the recovery rates of waste heat from boilers and a catalytic oxidizer, as well as improving its cooling water tower electric efficiency.

OIIR Over Year



Operational Excellence (continued)

ENERGY STAR® Partner of the Year

In 2021, Hexion received its first ENERGY STAR Partner of the Year award, one of the highest honors bestowed by the United States Environmental Protection Agency’s ENERGY STAR Program.



We were recognized for our many successes in waste reduction and energy efficiency throughout the company since 2013. In that time, we reduced global energy intensity by 28 percent, executed more than 250 sustainability projects and produced water and energy savings of approximately \$14 million, including \$2 million in 2020 alone.

Each year the ENERGY STAR program honors a group of businesses and organizations that have made outstanding contributions to protect the environment through superior energy achievements. ENERGY STAR Award Winners lead their industries in the production, sale and adoption of energy-efficient products, services and strategies. These efforts are essential in fighting the climate crisis and protecting public health.

Commitment to Biodiversity

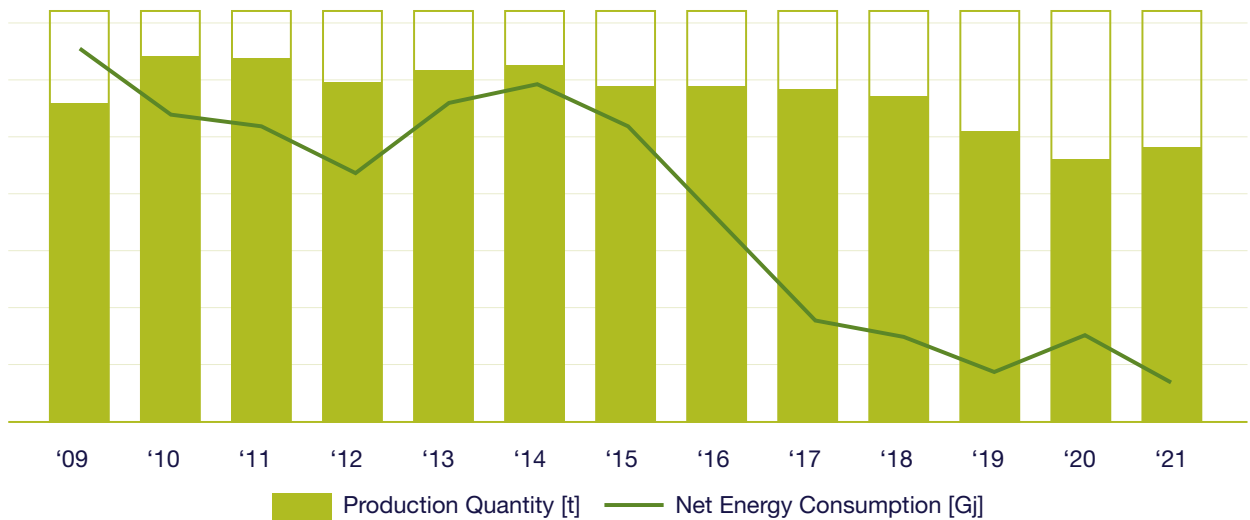
At Hexion, we value our natural resources and the environment around us. We strive to minimize our impact on the environment by using water and non-renewable resources as efficiently as possible. We also mobilize our workforce to proactively care for their local environments, as global change begins at home.

Several sites made significant progress in 2021, including:

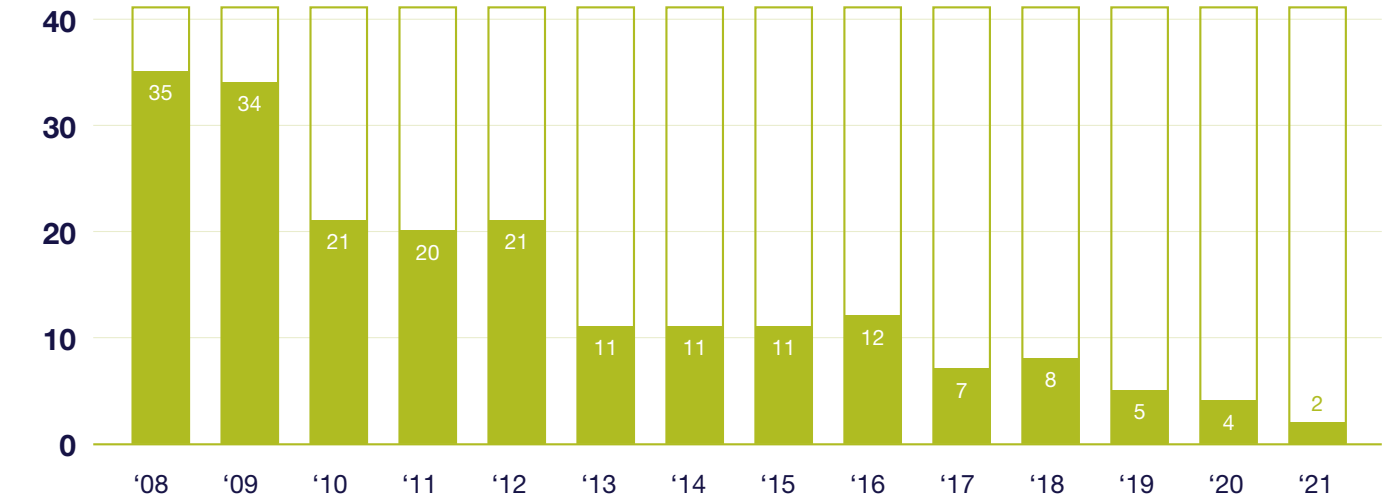
- **Fayetteville, AR:** this site recently completed a project that recycles treated water from the onsite wastewater treatment process into makeup for a cooling tower, reducing the amount of city water used for process cooling. Wastewater from the various cleanup and processing activities is treated onsite and then discharged to the Public Works Commission water treatment facility (POTW). Recycling this treated water reduces the volume of water discharged to the POTW by 3.1 million gallons per year. Even better, it also reduces the amount of city water purchased by 3.1 million gallons per year. This recycling effort reduces the site’s impact on the local water resources and is equivalent to the average annual usage of more than 100 people.

- **Springfield, OR:** the facility regularly partners with the Willamalane Park and Recreation District to care for our local public spaces. Partnerships and programs included several trash pick-up events at Dorris Ranch, the first commercial filbert orchard in the United States and a valued historic site, as well as invasive species removal and bank improvements on the millrace at the north end of our facility.
- **Sheboygan, WI:** A Six Sigma project reduced distillate water disposal volumes by 90 percent and eliminated nearly 90 truck shipments of wastewater from the roadways. Process piping and filtration modifications were made in the plant, and testing proved that reuse of the distillate stream was possible without negative process or product quality impacts.

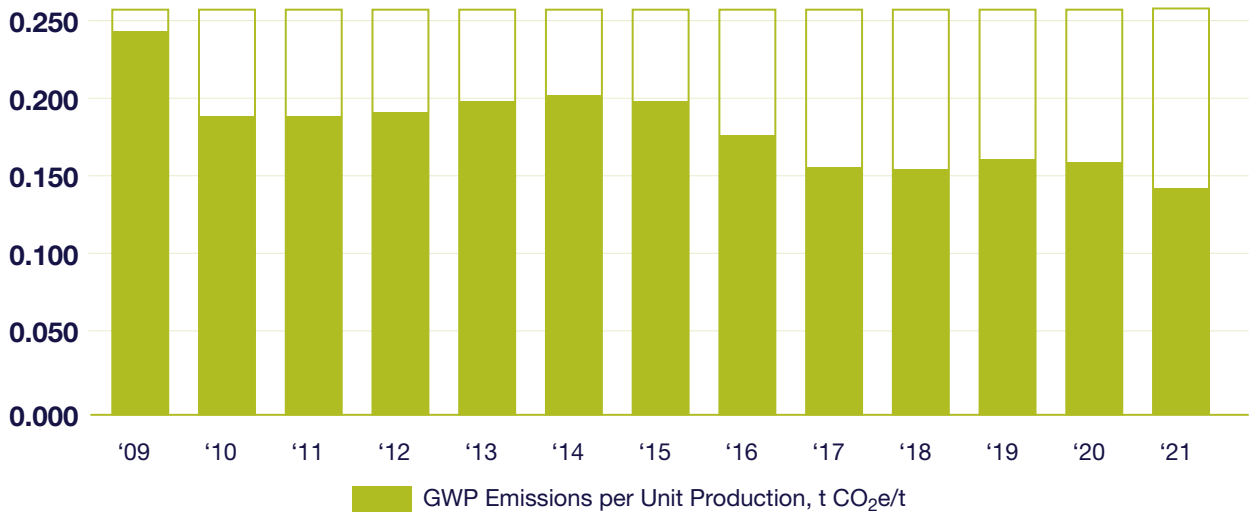
Net Energy Consumption and Production



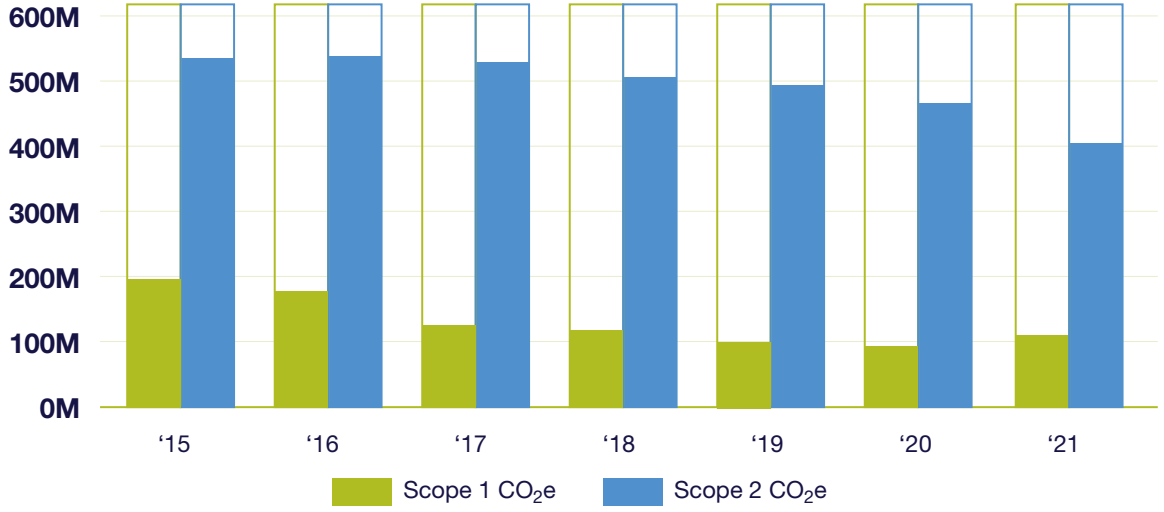
Environmental Events



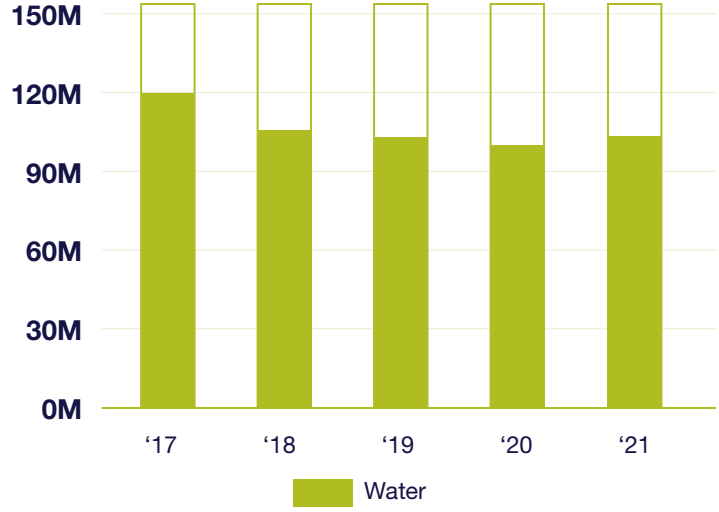
GHG Intensity



Net Scope 1 and Scope 2 CO₂e



Water



Operational Excellence (continued)

Climate Change Goals

In 2021, Hexion announced a commitment to reducing greenhouse gas emissions by 20 percent by 2030. We strive to protect against climate change throughout our business lifecycle by optimizing our processes, using natural resources efficiently and enhancing our products and technologies with the latest innovations, such as the use of Drumclips® to prevent spills during drum transport.

Hexion's commitment encompasses reductions in "Scope 1" and "Scope 2" emissions, which are direct and indirect greenhouse emissions from operations and consumed energy. "Scope 3" emissions, which are those associated with all other aspects of our business such as raw materials, product use and disposal, are also being reviewed.

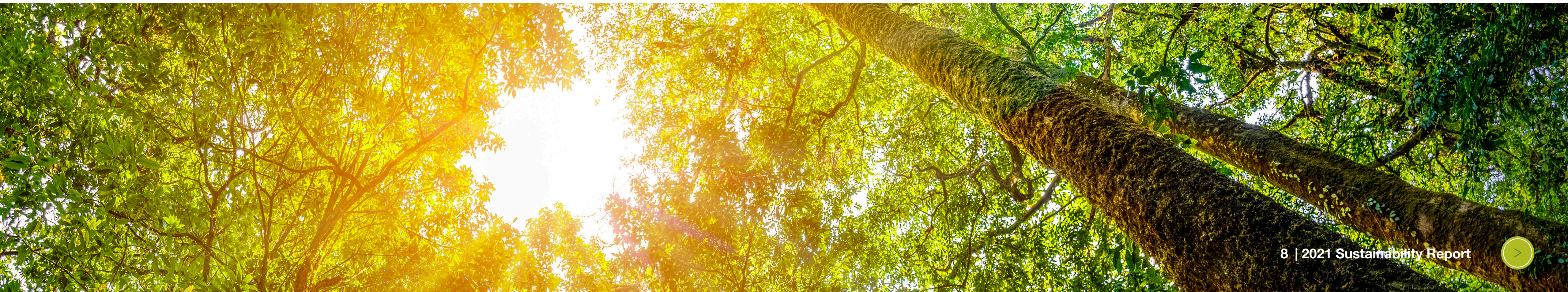
We will meet our goals through the following actions:

- **Minimizing climate change impact** – Hexion will strive to protect against climate change throughout its business lifecycle by efficiently using natural resources, optimizing existing processes and enhancing products and technologies through continuous innovation.
- **Developing innovative sustainable products** – By 2030, all new products will incorporate sustainable attributes.
- **Reducing spills and releases** – Hexion has committed to reducing spill mass and releases by 80 percent by 2025.
- **Maintaining product stewardship** – Hexion remains committed to implementing the Responsible Care Product Safety Code and will continue to be transparent and communicate to key stakeholders regarding its stewardship programs such as risk reviews and reduction of substances of concern.

50% Reduction in Hazardous Samples across Hexion and Targeting Additional Gains

In 2016, a Sampling Reduction program was initiated by Leadership as one of the pathways to reduce exposures in our operations. The objective was visionary—eliminate exposures to Acutely Toxic Materials (ATM) during sampling. Over the last several years, the Global Operations team has achieved a significant reduction in sampling across our sites. Collectively, associates from Manufacturing, EHS, Continual Improvement and Technology, Engineering and Projects have eliminated unnecessary exposures to ATMs, such as phenol, epichlorohydrin, and other hazardous materials. Other focus areas included exposure, high temperatures and activities that require an associate to work at a height. These achievements have been made through several projects. Examples include:

- Standardizing the Best Practices within our network;
- Using statistics to prove process control;
- Using data analytics to predict quality and control processes;
- Implementing inline analyses to eliminate sampling and traditional sampling/testing; and
- Improving sampling systems to eliminate exposure where sampling remains.



Market Innovation that Contributes to Sustainability

Hexion is committed to developing products and technologies that have less impact on the environment. Our chemists are constantly devising new ways to generate savings in energy, greenhouse gas emissions, water or waste during production; incorporating increased renewable materials into product formulations; and enhancing the recyclability and safety of our products.

Because the entire supply chain matters, we both seek out sustainability-oriented vendors for our raw materials and continually work with our customers to produce high-performance end products with longer lifespans that are more environmentally suitable. Our strategic work with our valued supply partners is highlighted in several notable products with sustainable attributes.

Enabling the Development of Lower VOC Paints and Coatings Virtually

Hexion is a global leader in making today's homes and buildings more sustainable and higher performing. One of the reasons is our VeoVa™ vinyl esters. These monomers are used in paints, adhesives and other construction materials to improve resistance to water, alkali, UV light and scrubbing. Essentially, VeoVa monomer makes a range of construction products perform better and last longer than standard vinyl esters.

In 2021, Hexion launched a unique online portal called “VeoVa House” (veovahouse.hexion.com) to provide binder and coatings producers a digital, fully virtual way to explore the different applications for our VeoVa monomers.

The site allows customers to better understand all the sustainable characteristics of VeoVa vinyl esters—low/no emissions of VOCs and enhanced performance properties—while interacting with Hexion sales and technical representatives without the need for carbon-intensive travel.

Rassini Leverages Composite Leaf Spring Application

Hexion (now Westlake's epoxy business) was specified by Rassini for an innovative rear suspension system found in Ford Motor Company's new 2021 model of the F-150 pickup truck.

Rassini has developed and manufactures the hybrid rear suspension, which consists of a parabolic main steel leaf supported by a composite helper, at its Piedras Negras (Coahuila Mexico) location. With this hybrid suspension, the same stiffness and durability as a conventional multi-steel leaf spring pack is achieved, while realizing a significant weight reduction of 16 kilograms. In addition to the positive impact this has on the vehicle's overall carbon footprint and payload increase, the lighter weight component leaves provide a smoother engagement, less friction and noise.

Rassini selected the EPIKOTE™ Resin TRAC 06150 with EPIKURE™ Curing Agent TRAC 06150 Epoxy resin system as it enables the robust mass production of the composite helper spring. The EPIKOTE™ Resin TRAC 06720 binder is essential for fabric stabilization and automated preforming of a large directional stack of fabric plies and is fully compatible with the fast cure resin system.

Innovation Challenge

In October 2021, Jurgen Van Holen, UV cure expert, received the “Open Innovation” award after submitting the winning proposal as part of Hexion's “Create the Future with Lower Yellowing, Renewable Resins and Raw Materials” innovation challenge. This initiative is now associated with Westlake's epoxy business.

The “Innovation Challenge” generated strong interest across the globe, leading to innovative submissions from industrial suppliers, research institutes, thought leaders and inventors. During the selection process, the submitters were contacted by Hexion experts to further nurture their concepts. The winning proposal identified specific chemical structures that can be used to develop new epoxy resins or modify an epoxy/amine system in an effort to reduce or eliminate yellowing. The selected approaches leverage bio-based materials intended to increase the overall sustainability of epoxy resin systems.

As stated when the award winner was announced: “We believe that this idea will create the most value to develop innovative sustainable technologies and formulations for novel coatings, as well as reduce greenhouse gas emissions through longer service life and single layer coatings,” said Dr. Gab Badini, Global Research and Development Director, formerly of Hexion and currently with Westlake Corporation. “These developments will help paint manufacturers meet, or exceed, the requirements of their customers with more sustainable, lower yellowing coatings.”

“This winning submission offers the potential to help meet customers' needs, protect the environment and benefit society,” said Ann Frederix, Senior Vice President, Coatings and Composites, formerly of Hexion and now leading the epoxy business at Westlake Corporation.

“Our innovation challenge provided a unique opportunity for thought leaders to accelerate innovation and commercial development of more sustainable, higher-performance resins for anticorrosive coatings. We look forward to partnering with Jurgen van Holen and were pleased to introduce innovative industry thinkers to this open innovation approach for technology development.”



Market Innovation (continued)

ArmorBuilt™: Ramping Up Protection Against Wildfires

In 2021, over 50,000 wildfires burned across upwards of 7 million acres of land in the western United States and Canada, putting people, essential infrastructure and the environment at risk. These challenging conditions followed a horrific wildfire season in 2020.

Hexion's ArmorBuilt™ Fire Protection product offers a durable, fire mitigation safeguard for securing critical infrastructure. The state-of-the-art smart material that is triggered by heat protects a renewably sourced power infrastructure—wooden utility poles—while substantially minimizing the cost of disruption and repair. ArmorBuilt has also passed two industry approved wildfire simulation burn tests for fire resistance. With its insulating and self-healing properties, ArmorBuilt provides a safe and reliable burn-prevention material for a variety of industries potentially affected by fires, including wildfires.

Hexion is working closely with one of the largest wood pole producers in North America to make ArmorBuilt wrap the specified solution for Pacific Gas & Electric Company to protect their utility pole infrastructure in wildfire prone areas.

To meet the continued strong customer demand to address the situation, Hexion announced two capacity expansions at its Portland, Oregon manufacturing site in 2021, in support of its ArmorBuilt Fire Protection product.

In early 2022, the Company also announced another expansion at its Missoula site, enabling Hexion to significantly increase its capacity to serve customers more easily in the wildfire prone areas of the Western United States and beyond. The new capacity is expected to come online in fourth quarter of 2022.

Hexion initially leveraged this technology to develop a fire-retardant solution for more sustainable wooden utility poles and the Company is actively developing additional applications for a variety of industries. For example, Hexion expects that ArmorBuilt can play a critical role in fire hardening protection for other critical infrastructure, as well as several residential and commercial applications.

Managing Supply Chain Sustainability

Hexion recognizes the opportunities and obligations of a Sustainable Procurement approach. We utilize 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. In 2021, we added resources dedicated to developing Supplier programs, with a focus on fostering an increased use of more sustainable raw materials and assessing Environmental, Social and Corporate Governance risks and initiatives across our supplier portfolio.

In addition, Hexion continues to closely monitor and adapt to the ongoing challenges associated with a global supply chain crisis. With more than 30 manufacturing and research and development facilities around the world, Hexion relies on a large, complex supply chain.

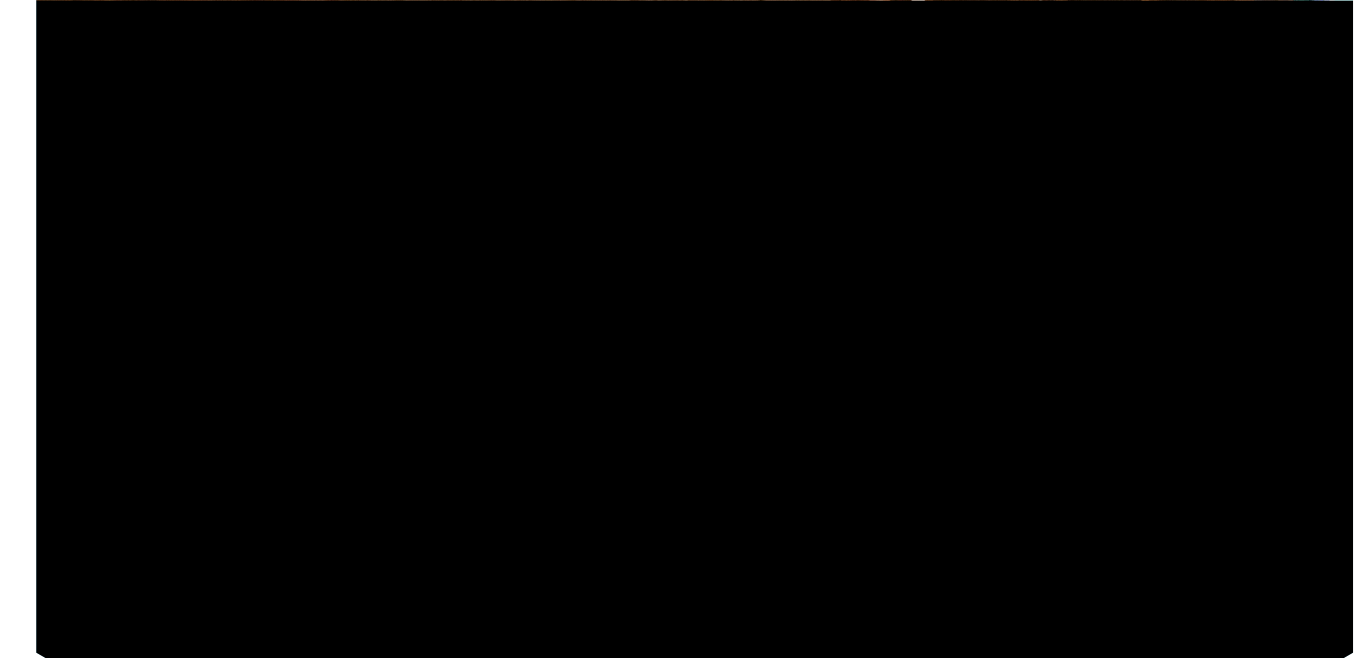
As part of this effort, Hexion relies on key partners, such as Celonis, to assist Hexion's global supply chain with comprehensive, real-time data. Through this partnership, Hexion leverages process mining technology, which is an analytical discipline for discovering, monitoring, and improving processes that enable efficiencies and improve service for our customers.

Additionally, we were able to achieve:

- A 50% reduction in days-to-pay for supplier financing, equating to several million dollars in working capital reduction;
- A decrease in unearned cash discounts that were paid to Hexion by 50%; and
- A 50% drop in route changes from production to customer.

In 2021, Hexion continued to implement processes to ensure that both the Company and the raw materials suppliers and third-party vendors with which we work manage their products responsibly and with a focus on minimizing environmental impacts. This included partnering with:

- EcoVadis, one of the world's largest and most trusted providers of business sustainability ratings, to measure and improve sustainability practices throughout our supply chain;
- CDP, the gold standard for environmental reporting, to track and disclose our progress on reducing environmental impacts; and
- Vigeo Eiris (V.E), a provider of ESG and climate risk insight, to measure the extent to which Hexion is managing ESG-related risks and opportunities and to benchmark our performance against other companies in the chemical sector. V.E is now part of Moody's ESG Solutions.



Awards

Hexion's Rogerson Awarded Prestigious Chemical Industry Metal

The Society of Chemical Industry, America Section (SCI America), awarded Craig Rogerson, Chairman, President and CEO of Hexion, the "SCI Chemical Industry Medal," which is one of the most prestigious industry awards in 2021. The SCI Chemical Industry Medal honors an individual whose leadership, commitment and contributions have been responsible for substantial progress and performance of the chemical industry.



Hexion BV (Westlake's Epoxy Business) Receives ISCC+ Certification at its Pernis, Netherlands Site

The Netherlands manufacturing site, which is now owned by Westlake Corporation, has received International Sustainability & Carbon Plus (ISCC+) mass balance certification for its tracing and handling of sustainable materials in the production of epoxy products. This is a significant step towards integrating renewable carbon materials into its raw material supply chain, while reducing energy use and greenhouse gas emissions. ISCC+ provides an international, practical, transparent system for the certification of bio-based, bio-circular and circular raw materials at each level of the supply chain. The ISCC+



certification recognizes a company's commitment to environmentally, socially and economically sustainable production by tracking its existing mix of feedstocks and replacing fossil materials with renewable resources.

Feedstocks for the liquid epoxy resins produced at the Pernis location have been certified by mass balance to be replaceable by bio-based alternatives. These include the phenol and acetone used to manufacture Bisphenol A (BPA), a critical building block in the manufacture of epoxy resins.

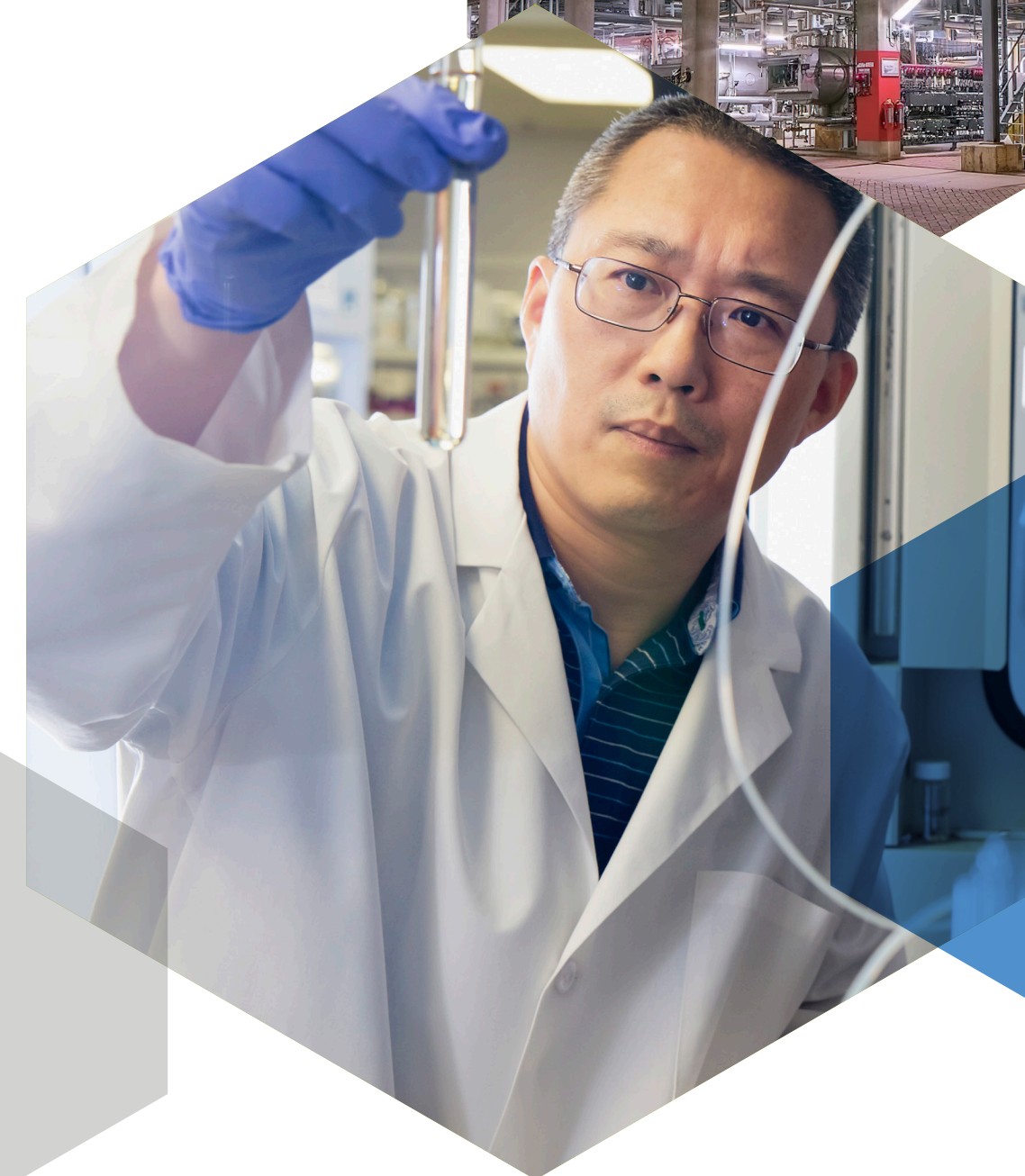
Leading Composite Technology Recognized by Society of Plastic Engineers

The Epoxy business, which is now owned by Westlake, and its composite technology expertise was recognized by The Society of Plastic Engineers (SPE) at its Annual Automotive Innovation Awards Program in late 2021.



An EPIKOTE™ epoxy resin system specified by Rassini was recognized by SPE in the Chassis/Hardware category in the North American division and won the "Grand Award" selected among the winners of all categories. The award highlighted Rassini's innovative rear suspension system found in Ford Motor Company's new 2021 model of the F-150 pickup truck. Rassini selected Hexion's EPIKOTE™ Resin TRAC 06150 with EPIKURE™ Curing Agent TRAC 06150 Epoxy resin system as it enables the robust mass production of the composite helper spring.

In addition, another customer, Daimler, was recognized as the "Grand Innovation SPE Award" winner by SPE with their submission of a gearbox carrier in the Power Train category in the Central European division. The award highlighted Daimler's innovative carbon fiber component found in the AMG GT Black Series. The high-performance EPIKOTE Resin TRAC 06398 based epoxy system was specified by Daimler and it enabled the production of this lightweight structural part using a Filament winding process while providing outstanding thermal resistance.





Social Responsibility

Social responsibility at Hexion means behaving ethically, with integrity and respect for others, in everything we do. Hexion believes this enables the Company to attract and retain a world-class workforce, while supporting communities where we have operations and continuing to communicate with various stakeholders in a transparent way.



Hexion's Focus on the Value of Human Capital

Voice of the Associate Survey

At Hexion, our people are our number one asset, and their voices are important to us. We were pleased that more than 80% of our associates completed the 2021 Voice of the Associate Survey. This Survey provided our associates a channel to voice their opinion on areas in which we are doing well and in areas where we have opportunities to grow. Their feedback will help us develop strategies to further create a safe, engaging, and inclusive environment for all our associates to feel empowered to do their best work. Subsequently, managers received a scorecard, allowing them to use this feedback to develop action plans that will continue successful practices and adjust others as needed. These action plans are meant to further enhance the relationship between our managers and their associates, leading to strong, ongoing associate development conversations and opportunities.

Career Development & Education

Hexion is committed to developing our associates to their greatest potential and giving them access to new opportunities whenever possible. Our Continuous Performance Management (CPM) Pilot is a system designed to help facilitate an ongoing development discussion between associates and their managers. CPM distributes prompts during structured monthly meetings to ensure managers and associates discuss more than just metrics. Discussion prompts include well-being check-ins, manager and associate feedback, and career goals. Goals set within CPM can be measured and

tracked in our system, helping both managers and associates keep the momentum of the discussion throughout the year.

To further our efforts at developing and retaining associates, we created a career passport, which is a tool designed to help associates in various corporate functions gain perspectives on different possibilities for their career paths. This program not only helps associates recognize that Hexion is invested in its associates, but also reinforces the importance of experience-based growth. Providing associates with growth opportunities becomes ever more important as many organizations continue to optimize their workforce. Hexion's career passport gives our associates the empowerment to own their careers, move into different functional areas and learn additional skill sets based on their interests and current expertise.

In 2021, Hexion continued to pursue its Servant Leadership journey. This initiative ensures that Learning and Development opportunities are aligned and moving forward in the same direction. Over the course of the year, Hexion experienced a growing interest and demand from associates around Servant Leadership practices, resulting in the development of a pilot workshop.

The Company also identified eight associates for individual career coaching in 2021. The first 25 coaching missions followed the Strategic Talent Management (STM) reviews within our Global Operations. Within the next year, we hope to continue accommodating requests from additional functions as part of the Strategic Talent Management process.

Social Responsibility (continued)

Giving Back and Community Development

Hexion gives generously to many nonprofits and organizations—especially those that support science, technology, engineering, and math (STEM) education.

Hexion is committed to supporting the communities in which we operate and the wellbeing of our associates. In turn, Hexion recognizes that volunteering positively impacts our neighbors and our associates.

To further encourage our U.S.-based associates to volunteer, and recognize them for their hard work and commitment, Hexion introduced an Associate Volunteer Grant Program in 2021. Following achievement of certain milestones of volunteer hours, associates directed a grant to the nonprofit they support. For example, after 25 hours of volunteer work by a Hexion associate, the nonprofit would receive \$250, and for 50 hours of volunteering, the organization would receive \$500. In 2021, we allocated \$25,000 to support this initiative. In addition, in 2021, Hexion associates logged approximately 6,031 volunteer hours, which more than doubled its total compared to the prior year.

Named National Philanthropy Day® Honoree

Since 1992, members and the Board of the Central Ohio Chapter of the Association of Fundraising Professionals (AFP) have publicly recognized local philanthropic leaders and celebrated their impact in our community through National Philanthropy Day®.

The Chapter noted that “this day of recognition of personal and corporate impact is the highlight of our chapter’s witness to the broader community. It celebrates the unique partnership of donor and fundraiser. The National Philanthropy Day® celebration in Columbus during November, the traditional month of giving thanks, is one of the largest in the nation.”

We are committed to creating positive impacts on the communities in which we work. In addition to financial support, nearly 90 percent of Hexion sites participated in at least one community impact event in 2020 despite the pandemic.

As the Company’s global headquarters, Hexion’s Columbus-based associates were pleased to support the local community through a number of key initiatives, including:



United Way of Central Ohio

Hexion continues to support the long-standing partnership with the United Way of Central Ohio. Hexion has donated more than \$6 million in associate-matching corporate contributions to this organization since 1996. In 2021, despite COVID-19 limitations, Hexion surpassed its financial goal for this program by more than \$27,000 and had the highest participation rate in recent history.



American Heart Association

Since 2009, Hexion has joined with the AHA in fighting heart disease and stroke by raising nearly \$225,000 in support of the mission. Hexion served as the Start Line sponsor of the 2021 American Heart Association Central Ohio Virtual Heart Walk. The AHA is also focused on addressing heart disease and stroke among diverse populations. The Company’s ongoing support of the Central Ohio Heart Walk reflects our core values of corporate social responsibility. We strive to support causes that impact the communities where our associates live and work, while remaining committed to supporting organizations that invest in research to solve complex challenges.



Columbus Early Learning Center

Hexion has supported this organization focused on providing family services and childcare services for more than six years through various activities.

→ PELOTONIA®

Pelotonia

Since 2012, with more than 200 associates volunteering or riding, Hexion has raised more than \$500,000 for cancer research.

Additionally, Hexion is proud to support Homeless Families Foundation, Community Shelter Board, American Red Cross, Children’s Hunger Alliance, YWCA and many other organizations.

2021 Community Service Areas of Focus

- Children and Youth
- Community Development
- Disaster Recovery and Wildlife Conservation
- Community Outreach
- Youth and Education
- Feeding the Hungry
- Health and Senior Care
- Cancer Research
- STEM
- Mental Health Support
- COVID-19 Vaccines
- Heart Health Research



Social Responsibility (continued)

Hexion's Commitment to Diversity, Equity and Inclusion

At Hexion, our goal is to build and leverage a diverse and inclusive workforce and a workplace where all associates feel valued and respected. We are committed to acknowledging the diversity of our associates, treating one another with dignity and respect and creating an inclusive environment where all associates can show up as their authentic selves and succeed in their careers. We believe this commitment will enhance the quality of life of our associates and our customers, stakeholders and the communities in which we live and work.

Hexion took numerous actions aligned with its Core Values and commitment to DEI in 2021, including:

- Launched two new Business Resource Groups (BRGs).
 - The Women@Hexion BRG was established to evaluate strengths and opportunities around gender diversity at Hexion.
 - The African Diaspora@Hexion BRG was established to advance the professional experience of not just African Americans at Hexion but all global associates who identify as having ancestry from the continent of Africa.
- Expanded Hexion's Code of Conduct with company-wide policies on Human Rights and requiring annual DEI associate training.
- Joined more than 400 leading US 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.

- Recognized our LGBTQ associates, and their allies, in a variety of ways during LGBTQ Pride Month.
- Partnered with the National Diversity Council throughout the year as an Ohio partner.
- Supported the LGBTQ+ Unity Summit, hosted virtually by the Ohio Diversity Council in June, as an Inclusion Sponsor. As part of this sponsorship, more than 20 associates participated in the Summit and joined this important conversation.
- Hosted the LGBTQ Hexion Roundtable, giving associates the opportunity to connect on how Hexion can be a leader in creating an inclusive environment.

Accelerating Hexion's Strategic Diversity, Equity and Inclusion Goals in 2022

Our 2022 DEI goals include:

- Launching the Global DEI Advisory Council, comprised of associates serving as diversity champions with representation from different backgrounds, levels of employment, and geographical regions within Hexion.
- Establishing several new Business Resource Groups (BRGs) with a focus on young professionals, LGBTQIA+, veterans and people with differing abilities. In fact, in early 2022, the Company formed "PRIDE@Hexion" as the newest BRG. PRIDE@Hexion's mission is to build a global space for our associates to be their authentic selves, and to provide critical resources and information for those who identify as LGBTQIA+ and allies.
- Expanding DEI partnerships with a focus on recruitment, supplier diversity and community.





Hexion Joins Future of STEM Scholars (FOSSI) Scholarship Program to Enhance Equity, Diversity and Inclusion in the Chemical Industry Workforce

For the second consecutive year, Hexion is supporting 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 provides opportunities for chemical manufacturers, supply chain partners and affiliated industry stakeholders to fund scholarships, provide internship opportunities and facilitate mentoring and leadership training for students majoring in STEM at Historically Black Colleges and Universities (HBCUs).

With an investment of nearly \$100,000 annually, Hexion will sponsor two scholars over the next four years, joining a growing list of organizations supporting the initiative. The Future of STEM Scholars Initiative is a partnership between the American Chemistry Council, the American Institute of Chemical Engineers, Chemours and the HBCU Week Foundation.

In its inaugural year and to support the "Class of 2021," the program initially received funding from 43 chemical manufacturers and related industry stakeholders, while supporting 151 scholars, at an investment of \$7.2 million in 2021. FOSSI scholarship recipients represented 28 states, with students planning to attend 26 HBCUs. In its inaugural year, more than 1,700 high school students across the nation applied for FOSSI scholarships, demonstrating both the urgent need for this program and the enormous pool of untapped talent.

"Hexion is pleased to help support this critical, industry-wide initiative to help increase the number of underrepresented professionals in the STEM workforce," said Craig A. Rogerson, Chairman, President and CEO. "Hexion and FOSSI are dedicated to supporting those STEM Scholars who would otherwise not have access to a STEM education by eliminating financial barriers. At Hexion, we are committed to celebrating the diversity of our associates and creating an environment of inclusion. The FOSSI program aligns perfectly with these principles."

