TRECORA™

Sustainability Report

2022

Contents

Letter from the CEO

I am pleased to introduce Trecora's inaugural sustainability report. This 2022 Sustainability Report marks a significant milestone in our journey towards expanding our sustainability efforts. It reflects our dedication to creating positive impacts on our environment, within our community, and for our customers.

As a leading producer of specialty petrochemical and synthetic wax products, Trecora plays a crucial role in transforming natural gas and petrochemical by-products into value-added materials. These materials are essential for building insulation, hot melt adhesives, HDPE, thermoplastic coatings, and numerous other products. Trecora's products are critical enablers of circularity and energy efficiency in high-emitting product categories and ensure food safety and quality protection in consumer packaged goods.

Our strong track record in product satisfaction is built upon product quality, consistency, and our focus on customer service. Our commitment to safety performance and responsible environmental practices is unwavering. We operate two best-in-class facilities, employ 240 team members, and provide solutions on a global scale.

For us at Trecora, sustainability is the right thing to do and an essential component of long-term success. Sustainable business practices will position us to enter new markets and be prepared for changing demands in existing markets, conserve resources, reduce costs, prepare for evolving regulations, and better engage our stakeholders. In 2022, we updated our Corporate Strategy to embed ESG as a factor in all business decisions.

Our inaugural Sustainability Report is structured in three sections aligned with ESG pillars: Environmental, Social, and Governance. We report on the topics that we consider most material to our business, including critical metrics, 2022 initiatives, and future priorities. Our reporting effort was carried out in reference to leading sustainability reporting standards and frameworks, including the Sustainability Accounting Standards Board's (SASB) Chemicals industry standard, the Global Reporting Initiative (GRI) standards, and the U.N. Sustainable Development Goals (SDGs).

A top priority for Trecora is to reduce the greenhouse gas (GHG) emissions associated with our business operations. We are pleased to announce that in 2022 we have set a target to strategically reduce our emissions by 3% annually on an intensity basis by 2030. We implemented several initiatives in 2022 to progress towards this target, including heater upgrades, process improvements to increase yields, and sourcing electricity with higher renewable content.

We are exploring alternatives to our feedstocks with renewable or circular attributes. Our partnerships with innovative startups allow us to produce low-carbon fuels and chemicals using renewable feedstocks at our facilities. These include sustainable aviation fuel (SAF), F-1 racing fuel, and renewable diesel. We are excited to explore these new opportunities and market novel, sustainable products.

In publishing our first Sustainability Report, we formally commit to driving positive and tangible change in the chemicals industry. As we build our strategy, we will continually monitor our progress on priority goals and set new ones, sharing our achievements and challenges. We understand that the journey towards sustainability is ongoing, and we remain dedicated to learning, improving, and collaborating with all stakeholders to make a lasting impact.

I want to express my sincere gratitude to our employees, customers, partners, and shareholders for their support and commitment as we expand our sustainability efforts. This report represents the beginning of an exciting chapter in Trecora's history that places sustainability at the core of our business. Thank you for your continued trust and partnership.

Sincerely,

Bradley Crocker
President, Chief Executive Officer, and Board Member of Trecora, LLC

Our Business

Trecora, formerly Trecora Resources, was incorporated in the State of Delaware in 1967. Our principal business is manufacturing various specialty petrochemical products and synthetic waxes and providing custom processing services.

Trecora's specialty petrochemical products facility is located near Silsbee, Texas, and produces high- purity hydrocarbons and other petroleum-based products, including isopentane, normal pentane, isohexane and hexane. These products may be used in the production of polyethylene, packaging, polypropylene, expandable polystyrene, poly-iso/urethane foams, and in the catalyst support industry. Since 1987, we have consistently implemented Statistical Process Control (SPC) in the production of all our products. This stringent approach has been instrumental in ensuring the highest levels of quality and consistency.

Furthermore, our dedication to quality is reinforced by our ISO 9001 certification for Quality Management, emphasizing our unwavering commitment to delivering top-quality prod-ucts while upholding operational excellence. Throughout the manufacturing and delivery process, we meticulously test the feedstock, intermediate, and final products within our dedicated laboratories at each stage. As part of our compre-hensive service, we offer various transportation options, including rail, tank trucks, and ISO containers, to cater to the specific needs of our customers. This holistic approach ensures that our products meet the highest standards and reach our customers reliably and securely.

Our specialty synthetic wax operations are in Pasadena, Texas. This segment produces specialty polyethylene and poly alpha olefin waxes and provides custom processing services. The specialty polyethylene waxes are used in markets from paints and inks to adhesives, coatings, and PVC lubricants. The highly specialized synthetic poly alpha olefin waxes are used in applications such as toner in printers and as additives for candles, providing rigidity and retention of fragrances.
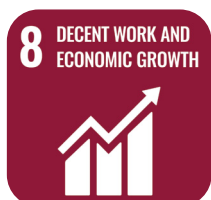
Trecora continues its commitment to providing quality products and services by developing and applying innovative technologies. The ability to respond to each customer's individual needs has been the hallmark of Trecora.

UN SDGs

Our commitment to sustainability aligns closely with the UN SDGs, a universal call to action to end poverty, protect the planet, and ensure prosperity for all by 2030. These 17 interlinked goals cover a broad spectrum of global challenges, from poverty eradication and clean energy to climate action and responsible consumption. We recognize the critical role our company plays in addressing these challenges. By pursuing responsible practices in our operations, we contribute to several SDGs, including:

7 AFFORDABLE AND CLEAN ENERGY

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

Throughout this report, you will find these SDGs referenced with icons, highlighting our dedication to aligning our efforts with these global priorities.

Trecora's 2022 Highlights

Corporate Strategy
ESG integrated into Corporate Strategy

GHG Reduction Target

3% Annual Reduction
in per unit sold product by 2030 from a 2021 baseline

Achieved 2.4% Reduction
in emissions intensity year-over-year

2022 Total Production

521.7 MM lbs
Silsbee

73.4 MM lbs
Pasadena

240
Trecora Employees

Geographic Reach

We sell products in the following markets:
Australia, Bahamas, Brazil, Canada, Costa Rica, Egypt, Guatemala, India, Kuwait, Mexico, New Zealand, Nicaragua, Philippines, Qatar, Republic of Korea, Saudi Arabia, Singapore, Taiwan, China, and the United States of America.

Safety Highlights

Zero
Process Safety Events

Zero
3 year-rolling Tier 1 Process Safety Event Rate

0.17
3 year-rolling Tier 2 Process Safety Event Rate

Worked with **Our Local Community** to host emergency preparedness drills

Governance

Our approach to governance has evolved significantly over the course of five decades, reflecting the robust organizational foundation that underpins our fifty-year presence in the business landscape. Presently, our governance framework is intrinsically aligned with Trecora's overarching mission, firmly entrenched core values, and unwavering dedication to upholding ethical principles across all facets of our operations.

With the endorsement of our board of directors, we have recently embarked on an expansion of our corporate mission and commitments. This expansion includes the formulation of a distinct sustainability mission statement and corresponding commitments. These newly articulated directives serve as a testament to Trecora's strategic resolve in harnessing our organizational strengths in product innovation and quality, thereby positioning ourselves to effectively address the evolving demands of dynamic economies, both in the present and into the future.

Core Values

At Trecora, our commitment to excellence is sustained by three core principles that shape our interactions with employees, customers, suppliers, service providers, and the communities where we are active:

01 We protect our people, the environment, and the communities in which we operate.

02 We treat each other with respect and encourage open and honest communication.

03 We strive for continuous improvement and critical thinking in everything we do.

Mission Statement

We will deliver maximum value for our customers and our employees by safely and reliably producing and supplying high purity hydrocarbons and premier custom processing services for niche chemical and other end-use markets. We will protect each other and our environment by operating responsibly and positively impacting our communities and the lives of those with whom we have a shared relationship.

By utilizing the full scope of our chemistry, technology, and global business understanding, we will partner with our customers to develop new solutions and find uses for our existing products and services that solve their essential needs. We will remain devoted and collaborative in our support of joint venture entities. We stand behind these commitments, have an uncompromising drive to do the right thing in every respect and are relentless in our desire to achieve the highest performance levels.

Sustainability Vision Statement

Be a recognized leader in high value, innovative materials contributing to our sustainable future.

Sustainability Mission Statement

We support our customers, communities and planet through safe, efficient, and profitable upgrade of chemical and energy by-products reducing carbon emissions in the markets we serve.

ESG Governance

Our business strategy is guided by a dual commitment to both commercial viability and the cultivation of positive environmental and social impacts. This guiding principle is embedded within our Corporate Strategy, where we emphasize that our business decisions should take into consideration our overarching objective of advancing environmental and social well-being.

Our Code of Business Conduct and Ethics includes a Commitment to Environmental, Health and Safety Protection which we strive to adhere to in all aspects of our business. This commitment serves as the foundation upon which we endeavor to conduct all aspects of our operation, while upholding the highest standards in these domains.

Given our presence within a highly regulated industry, we prioritize compliance with all pertinent environmental laws, rules, and regulations to protect the environment. This compliance is not merely a legal obligation but a commitment to safeguarding and preserving our employees, communities, and the integrity of our environment.

Our governance framework serves as an enabler of our sustainability strategy, aligning with the multifaceted expectations of our stakeholders. It is designed with a commitment to the enduring well-being of our planet and the communities in which we operate, affirming our dedication to responsible corporate citizenship.

Message from the Executive VP Specialty Polymers and Corporate Strategy

"Sustainability encompasses both environmental and business health elements. A sustainable business provides all its stakeholders with value over the long term. As we see it, sustainability requires environmentally beneficial solutions in all our activities. This requires an acceptance that there are cost impacts to improving the environment and those must be supported by our customer base and ultimately all of society. Consistent and dedicated forward movement and decisive business execution is required to meet our business and sustainability goals. Pro-active and positive action is the way we survive and thrive. We aspire to leave our footprints in the sand as we pass by, rather than debris along the beach."

Peter Loggenberg
Executive VP Specialty Polymers and Corporate Strategy

Board of Directors

Trecora's Board of Directors plays an integral role in the formulation of our ESG strategy and the evaluation of environmental and social initiatives for approval. The commitment to sustainability is a central pillar that is reflected in all key decisions during Board meetings and is embedded in our overall Corporate Strategy.

The Board of Directors convenes on a quarterly basis, with the initial meetings of each year focused on compliance matters, while the first quarter of every year is dedicated to an examination of sustainability initiatives. Notably, the Board of Directors includes representatives from Balmoral Funds, the entity that acquired Trecora in 2022. Among these representatives is the ESG Advisor for Balmoral Funds, whose wealth of experience in ESG strategy is instrumental in driving the integration of ESG principles within Trecora.

Sustainability Leadership at Trecora

In 2022, Trecora took significant steps to embed sustainability leadership within our organizational structure across three distinct tiers. At the highest tier, the ESG Advisor within our Board of Directors assumes a pivotal role in steering our ESG strategy and its seamless integration throughout our company.

Within our Executive Leadership Team (ELT), Peter Loggenberg, our Executive Vice President of Specialty Polymers and Corporate Strategy, serves as an advocate for instilling a sustainability ethos within Trecora. His commitment to infusing sustainability considerations into business deliberations is unwavering. The ELT convenes several times a month for management meetings, with ESG often occupying a position on the agenda.

At the operational level within our Production Team, Joshua Leventry, our Innovation & Sustainability Manager, spearheads the execution of our ESG strategy. Joshua coordinates initiatives across the organization, driving the successful realization of our ESG projects while fostering sustainability at every level of our operations.

2022 Trecora Sustainability Report

Commitment to Ethical Behavior

Trecora has instituted a Code of Business Conduct and Ethics to guide our behaviors and conduct to the highest standards. This Code ensures all employees are informed of our policies and procedures and receive any applicable compliance training. Our Code commits us to maintain a work environment where constructive and open discussion about ethics is encouraged without fear of retaliation and ensures that appropriate responses are taken in the event of any compliance and legal issues.

Anti-Corruption and Fair Competition

Trecora is committed to comply with antitrust laws in every jurisdiction in which it does business. We welcome vigorous competition, which drives efficiency, encourages innovation, and delivers to consumers a choice of products and prices.

We acknowledge that effective governance extends beyond the mere establishment of regulations; it reflects our core values, our dedication to transparency, and our commitment to upholding ethical standards across all facets of our organization.

8 DECENT WORK AND ECONOMIC GROWTH

Environmental

At Trecora we are committed to position ourselves as a pioneering force in sustainability within the specialized petrochemical and synthetic wax industries. We strive to reduce our environmental impacts through the greening of our products and improving operational efficiencies to minimize our resource use as well as our emissions and waste production. As a major component of our Corporate Strategy, every business decision we make is viewed through both a commercial and sustainability lens to consider the environmental and social impacts associated with that decision.

Commitment to Environmental Stewardship

We know that as a business, we have impacts on both our local environment through the use of water and creation of waste and air pollutants, and on a larger scale, we contribute to the impacts of climate change through our carbon emissions. This is why we consistently monitor our operations to identify efficiencies. We seek to minimize our impacts through reduction initiatives, analyzing the environmental impact of our products through life cycle assessments (LCA), and considering ESG criteria in our value chain partnerships.

Trecora's Corporate Strategy dictates that all business decisions should align with improved environmental and social outcomes. Our long-held commitment to environmental protection is a key component of our Code of Business Conduct and Ethics. The chemicals industry is highly regulated, and compliance is a core component of our operation. We aim to go beyond legal requirements by constantly seeking efficiencies in our processes to reduce GHG and air pollutant emissions, water use, and solid waste and wastewater production. Trecora continuously optimizes our asset footprint, structure, yield, and energy usage, resulting in greater efficiency and reduced environmental impacts.

"I appreciate working for a company that values sustainability efforts that catalyze the use of innovation and transformation to enhance long-term success"

Joshua Leventry
*Innovation and Sustainability Manager*

Our GHG Footprint

In an era where climate change poses significant global challenges, the responsible management of our greenhouse gas emissions has become a central focus for our company. At Trecora, we understand our role in this global challenge, and we are determined in our commitment to minimizing our carbon footprint. Here, we will provide a transparent accounting of our greenhouse gas emissions (scopes 1-3), and a detailed overview of our progress and strategies for reduction. Our emissions are expressed as metric tons of carbon dioxide equivalent (tCO_2e).

We commit to reducing our Greenhouse Gas Emissions (GHG) by 3% per unit of product sold annually by 2030 from a 2021 baseline.

2022 Trecora Emissions

23%
Scope 1
98,662 tCO_2e

6%
Scope 2
25,298 tCO_2e

71%
Scope 3
123,960 tCO_2e
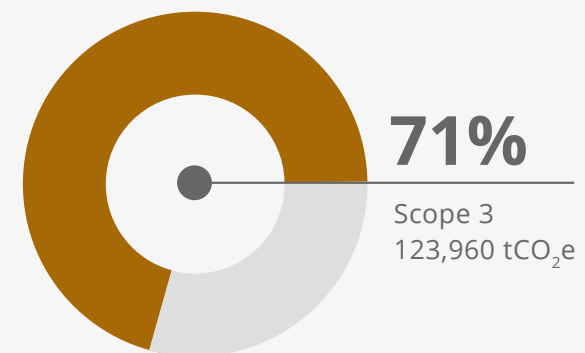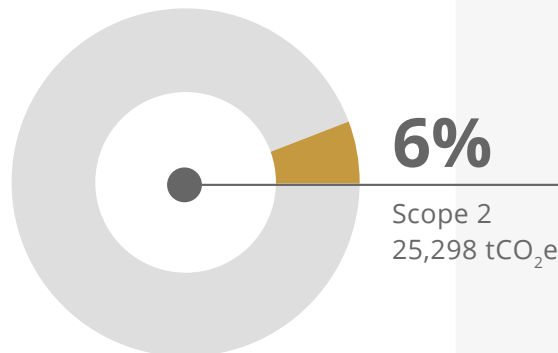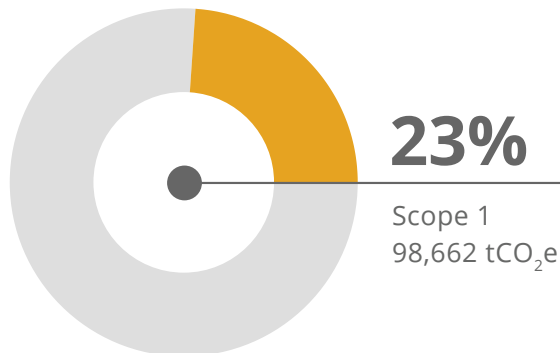
Scope 1 & 2 Emissions

Scope 1 emissions, or direct emissions from our operations, represent 80% of our scope 1 and 2 emissions in 2022 and come from the combustion of natural gas. Scope 2 emissions are indirect 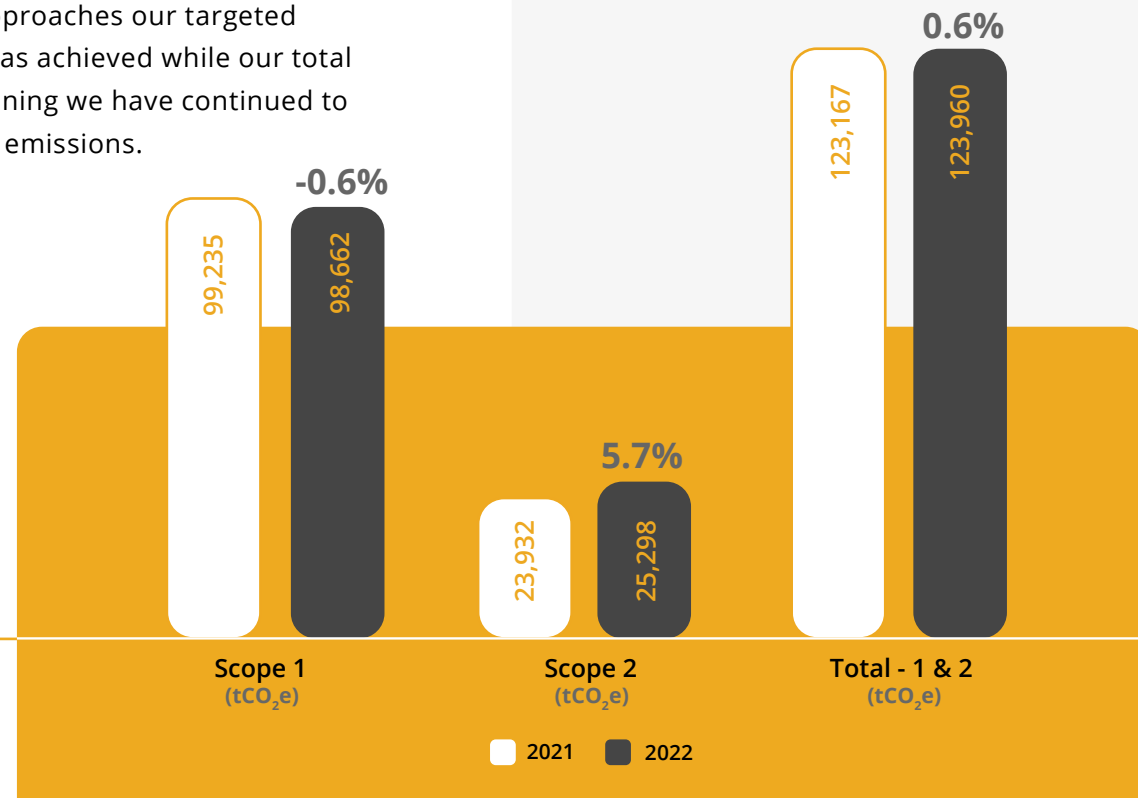emissions from purchased electricity and represent 20% of our scope 1 and 2 emissions in 2022. The scope 2 emissions number reported is a market-based figure calculated using an emission factor from our energy utility. Collectively, our scope 1 and 2 emissions represent approximately 29% of our total emissions.

In 2022, we emitted 0.46 tons of CO_2e for every ton of production across our organization. This represents a 2.4% year-over-year decrease in emissions intensity, which approaches our targeted annual reduction of 3%. This reduction was achieved while our total production increased by around 3%, meaning we have continued to grow our operation while minimizing our emissions.

We have continued to grow our operation while minimizing our emissions

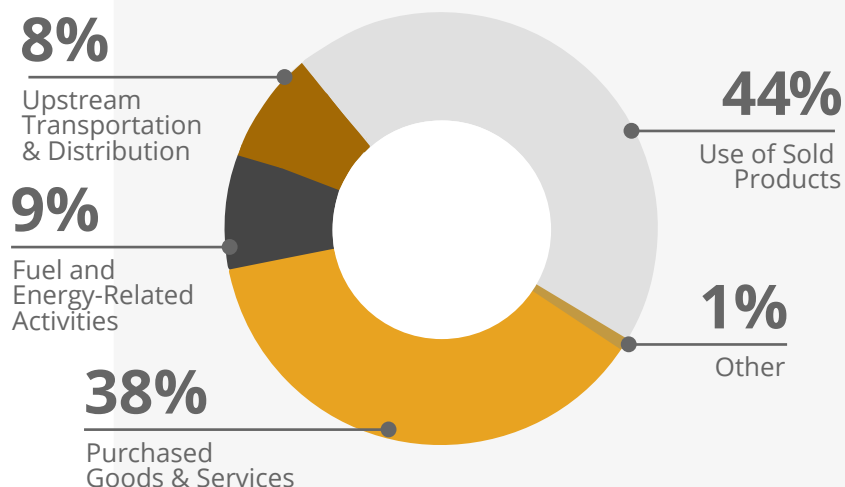|	Scope 1 (tCO₂e)	Scope 2 (tCO₂e)	Total - 1 & 2 (tCO₂e)
2021	99,235	23,932	123,167
2022	98,662	25,298	123,960
% change	-0.6%	5.7%	0.6%

2021   2022

Scope 3 Emissions

In 2021 and 2022, Trecora conducted a hybrid scope 3 inventory to estimate our scope 3 emissions and understand the emissions hotspots across our value chain. This inventory includes a direct calculation of emissions from our sold products using weight data and product-specific emission factors. For other scope 3 categories, we utilized a screening approach, relying on spend data and other information to estimate emissions.

Trecora's scope 3 emissions account for approximately 71% of our total emissions. The most significant contributor to our scope 3 emissions is the utilization of our sold products, constituting over 44% of this category. Following closely are upstream emissions originating from our purchased goods and services, which make up approximately 38% of our scope 3 emissions. Emissions resulting from energy loss during transmission to our facility represent about 9% of our total scope 3 emissions, while emissions related to upstream and downstream transportation and distribution account for around 8%.

Over the past year, we observed a 7.2% increase in our scope 3 emissions. This increase is attributed in part to our heightened production levels. An increase in production directly leads to higher emissions from the use of sold products and influences our purchased goods and services emissions due to the increased demand for raw materials.

Trecora 2022 Scope 3 Emissions (tCO$_2$e)

8%
Upstream
Transportation
& Distribution

9%
Fuel and
Energy-Related
Activities

38%
Purchased
Goods & Services

44%
Use of Sold
Products

1%
Other

Tackling Our Carbon Emissions

Trecora's engineering team is constantly looking to identify efficiency improvements in our processes, with a focus on achieving positive sustainability outcomes. In line with this commitment, we have initiatied several projects with emissions reduction benefits, which will become increasingly evident in the years ahead.

Initiatives

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

7 AFFORDABLE AND CLEAN ENERGY

Heater Burner Management System (BMS)

We have begun the process of either replacing or upgrading our heaters to more efficient technologies. In 2022, one such replacement occurred, while our remaining 37 heaters will either be fully replaced or have major components replaced in coming years, resulting in emissions reductions. When completed, we anticipate this initiative to reduce our scope 1 annual emissions by 12,000 tons of CO_2e.

13 CLIMATE ACTION

Electricity Sourcing

Trecora worked with a third-party consultant to identify the best choice for our electricity sourcing at the Pasadena facility. We sought an electricity supply that not only met our cost criteria, but also emissions intensity through the renewable content of the energy mix. We estimate this selection of electricity source will reduce our emissions by 4,000 tCO_2e annually. Additionally, we plan to transition to 100% renewable electricity sourcing at our Silsbee facility by 2030, resulting in an additional 16,000 tCO_2e reduction.

Yield Improvements

Trecora has engaged with third-party process control experts to create efficiencies in our advanced process control (APC) through material optimization. We anticipate that 900 tons of CO_2e can be reduced through these efforts, annually. We are currently ideating on an expansion of this scope to achieve greater reductions.

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Energy

Purchased natural gas is the primary contributor to our direct emissions (scope 1) and represents the largest source of scope 1 and 2 emissions overall. Our indirect emissions (scope 2) come solely from purchased electricity. Lastly, we run a small 300 horsepower low pressure steam boiler for flare assistance only.

Trecora 2022 Energy Usage (MWh)

89%
Natural Gas

9%
Purchased Electricity

2%
Self-generation of Steam
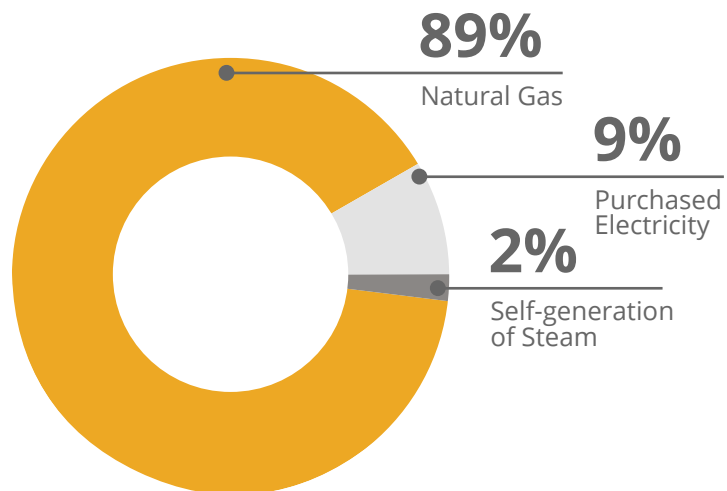
Circularity of Materials

At Trecora we are reimagining our resource use, reducing waste, and developing innovative solutions to improve the circularity of our products. We are always looking for ways to improve the sustainable attributes of our feedstocks to produce products with a lower environmental impact. In some cases, we can take waste streams that would otherwise be incinerated or disposed of in a landfill into our production process as a feedstock. We have performed several feed evaluations to understand the relative impacts of our feedstocks.

We are in the process of conducting a product carbon footprint (PCF) of our family of polyethylene wax products. This PCF study is aligned with the ISO 14067 standard and will provide the measurable and transparent low carbon attributes of our specialty wax products to our customers and other stakeholders. This study is still underway; we expect to be able to share results by the end of 2023.

7 AFFORDABLE AND CLEAN ENERGY

Renewable Fuels

Trecora facilitates the production of renewable fuels through partnering with startup businesses to develop and launch renewable fuel projects. We are working with partner businesses at our Silsbee facility to develop sustainable aviation fuel (SAF), renewable racing fuel, and we are exploring opportunities in renewable diesel as well.

For example, we are working with one such business operating inside our petrochemical facility to demonstrate a pilot using pulpwood feedstocks to produce hydrocarbons. This business' technology reduced greenhouse gas emissions by over 90% and 70% for fuels and chemicals, respectively, relative to petroleum-based products.
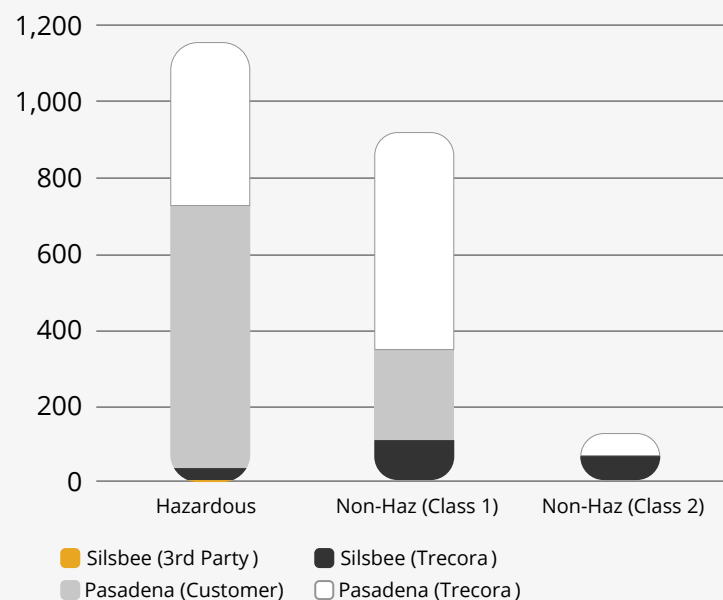
Waste

11 SUSTAINABLE CITIES AND COMMUNITIES

At Trecora, our commitment to sustainability extends beyond our primary operations, encompassing the responsible management of hazardous and non-hazardous waste. Waste generation is an inevitable outcome of our wax and petrochemical production, but we are committed to minimizing its impact.

A significant portion of the waste generated at both our facilities can be attributed to specialty processing and the pilot testing of new products, where we are still developing efficiencies to reduce waste production. This challenge is particularly pronounced in our specialty wax division, where the frequent occurrence of small batch trial runs contributes to this dynamic. In contrast, our ongoing wax production at the Pasadena facility has been structured to generate a comparatively lower amount of waste, emphasizing solvent recovery to maximize resource utilization.

2022 Total Waste Production Breakdown (US tons)

Legend:
- Silsbee (3rd Party)
- Silsbee (Trecora)
- Pasadena (Customer)
- Pasadena (Trecora)

At our Pasadena facility, hazardous waste is the primary component of our overall waste profile. A notable 63.3% of our hazardous waste production and 32.7% of our non-hazardous (Class 1) waste generation can be traced back to specialty processing activities. A material portion of these specialty processing waste streams emerge during the trial phase, where our primary focus may prioritize technical feasibility over immediate waste minimization or product recovery. However, in cases where custom processing projects evolve into recurring operations, we focus on developing improvements in recovery methods or the identification of alternative outlets for co-product materials. In the coming years, we anticipate a reduction of approximately 20% in both hazardous and non-hazardous Class 1 waste production at

the Pasadena facility, attributed to the conclusion or deceleration of specific pilot trials.

Meanwhile, at Silsbee, a significant share of our hazardous waste production, comprising 44.5% of the facility's total, stems from third-party partner companies operating within our premises. Given the pilot-scale nature of these processes, minimizing waste streams can be a challenge. However, it's important to note that the research conducted by these pilot plants carries the potential for net positive environmental impacts, particularly in advancing the development of renewable biofuels.

Trecora 2022 Waste by Category and Disposal Method

Waste Reduction

Hazardous waste is the most significant waste category that we produce, and we recognize the impacts of this waste production. We are constantly looking for ways to reduce or recycle our waste, and we try to avoid incineration wherever possible due to air quality impacts. Over half of the hazardous waste we generated in 2022 was either recovered, reclaimed, or reused.

At Silsbee, we have reduced our waste production through consistent efficiency improvements. Employees at our Pasadena facility have formed a waste minimization team to identify and mitigate waste sources wherever possible. The team maps all sources of waste to identify these reduction opportunities.

Our Pasadena facility also partners with third parties to produce products that enable sustainable applications; waste production from these custom processing activities is included in the total waste figures above. There is a continuous drive towards reducing waste and creating more product lines from by-products, such as creating PVC lubricant products from wax lights.

Trecora 2022 Hazardous Waste Disposal Method Breakdown

51%
Recovered
Reused

49%
Disposed

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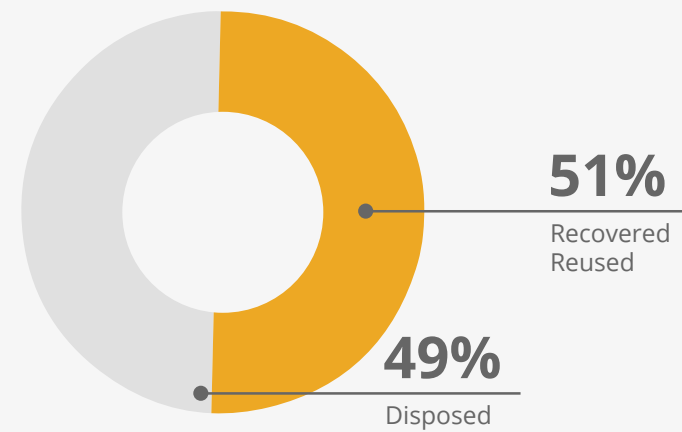
Water

At Trecora, we recognize the responsibility that comes with our use of water, and we are committed to employing sustainable practices that minimize our impact while meeting our operational needs. Our dedication to responsible water management underscores our broader commitment to environmental stewardship, social responsibility, and the long-term viability of our operations.

Following an assessment using the WRI Aqueduct tool, we determined that Trecora does not source water from High or Extremely High Baseline Water Stress regions. However, water availability is a critical issue that will likely become more severe over time. Our water withdrawals and discharge are closely monitored, and we conduct biweekly water sampling to ensure we are meeting water quality standards. This includes testing for hydrocarbons, ammonia, biochemical oxygen demand (BOD), total dissolved solids (TDS), and total suspended solids (TSS). On an annual basis, we also test our water for criteria pollutants of concern. Rainwater that falls on our facilities is subject to potential process contamination and is therefore monitored and treated accordingly prior to discharge.

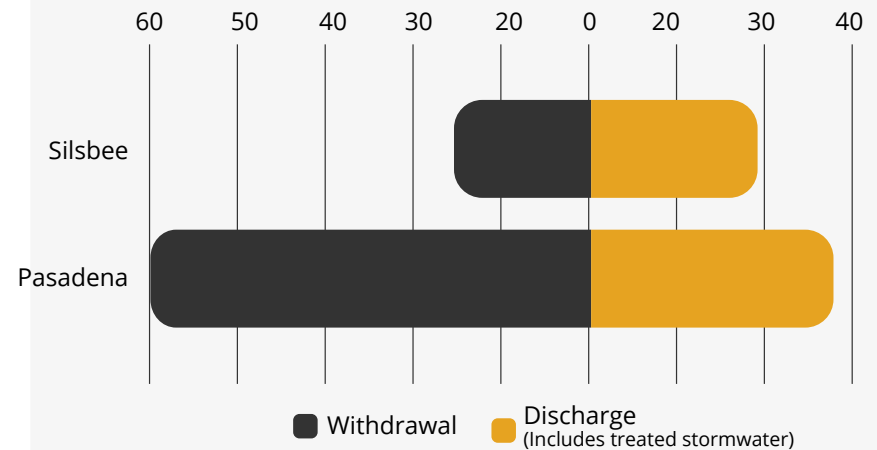11 SUSTAINABLE CITIES AND COMMUNITIES

Wastewater

At our Silsbee facility, we prioritize responsible rainwater management for our plant and equipment. To achieve this, we've implemented a comprehensive system that contains and treats rainwater runoff in two retention ponds. These ponds undergo regular water quality sampling twice weekly to monitor environmental standards compliance. Discharge from these ponds is rare and only carried out when necessary to minimize potential ecological impacts.

Our Pasadena facility maintains a process wastewater monitoring and treatment regimen. Daily samples are collected and sent to the Gulf Coast Authority's (GCA) Bayport Industrial Wastewater Treatment Facility for advanced treatment. Our partnership with GCA, a governmental entity dedicated to safeguarding Texas' water resources, offers an additional assurance that our discharged water exceeds regulatory standards, ensuring the protection of the local environment. We do not directly discharge any process water from this facility, and we proactively monitor stormwater on-site to prevent cross-contamination with other waste streams, upholding our commitment to environmental responsibility.

2022 Water Withdrawal and Discharge (MM gallons)

| | 60 | 50 | 40 | 30 | 20 | 0 | 20 | 30 | 40 |

Silsbee

Pasadena

■ Withdrawal   ■ Discharge (Includes treated stormwater)

11 SUSTAINABLE CITIES AND COMMUNITIES

Air Quality

Air quality is a vital aspect of our environmental commitments, especially those we have with the surrounding communities in which we operate. To address this, Trecora is working to reduce our emissions, cut pollutants, and develop new improvement strategies. By employing advanced technologies and stringent emission controls, we actively work to ensure that we meet or exceed regulatory standards.

The air pollutants we produce at Silsbee primarily come from heaters, flares, and tanks. They are monitored regularly with on-site support from a third-party contractor. We also employ caustic scrubbers for removal of sulfur from our process emissions. Our Pasadena facility conducts distinct monitoring for each unique product trial to accurately assess the pollutants emitted. We regularly perform leak detection and repair (LDAR) to prevent fugitive emissions at our facilities.

2022 Air Emissions (US tons)
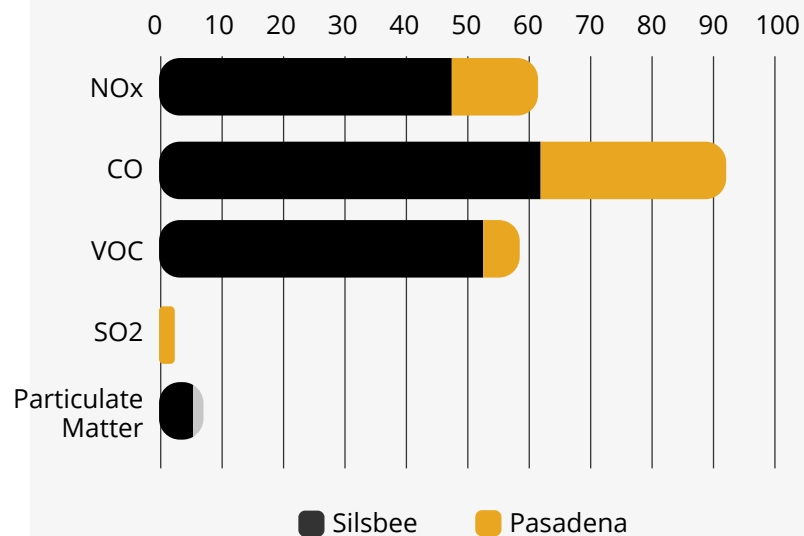
Remediation

Our petrochemical facility near Silsbee has been operating for decades, and legacy groundwater contamination occurred before we acquired the property. Trecora has been conducting hydrocarbon groundwater plume monitoring with the assistance of a third-party consultant for several years, and remedial activity has occurred through on-site recovery wells. We operate seven recovery wells and recover between 15,000 to 20,000 gallons of hydrocarbons annually. This process has been successful, and pending regulatory approval of the closure criteria, phase out will occur in 2030. This goal will be achieved by continued operation of the on-site recovery system and monitoring natural attenuation.

Social

At Trecora, we understand that sustainability encompasses social responsibility. Social responsibility begins with ensuring the health and safety of our employees and extends to our customers and the communities in which we operate. This section highlights our initiatives, progress, and dedication to ethical practices, employee welfare, community engagement, and broader societal impacts.

"Protecting the environment, ensuring health and safety, and securing a sustainable future are not just responsibilities; they are our moral and ethical imperatives."

Doug Wallace
HSE Director

Occupational Health and Safety

Trecora is committed to maintaining a safe and healthy work environment in all our businesses and operations. Any injury to an employee is unacceptable and undermines the adequate performance of our business. Trecora strives to prevent accidents by maintaining a safe and healthy work environment, following safe practices and procedures, and by supplying the proper personal protective equipment.

Recordable Incidents	Four recordable injuries in 2022
Days without Recordable Injury	Pasadena = 12 days Silsbee = 199 days
Total Recordable Incident Rate (TRIR)	3-year rolling = 0.70

Process Safety

Our approach to Process Safety involves operating according to our policies and systems to identify, understand, and control process hazards before they pose a risk to our workers or the environment. This prevents injuries and incidents and the potential release of hazardous substances at our manufacturing facilities.

Process Safety Incidents

Tier 1 or Tier 2 Process Safety Events in 2022	Tier 1 = 0.00 Tier 2 = 0.17

3-year Rolling Process Safety Incident Rates (PSIR)	Tier 1 = 0.00 Tier 2 = 0.17

In 2022, our employees participated in an emergency response drill of a helicopter medical evacuation landing and takeoff. The drill was coordinated by the local county constable and joined by local emergency medical services (EMS), the volunteer fire department, and the county emergency management coordinator.

Process Safety Initiatives

Trecora's training program has been updated and we will be using a 3rd party tool to improve robustness. We will be adding a full-time hands-on trainer in addition to training administrator in 2023.

All equipment, including piping circuits, are now defined by a Mechanical Integrity (MI) Program. 150 internal and external equipment inspections and 202 pipe circuit inspections were completed in 2022 at Silsbee.

Robust investments were made at Silsbee to begin installation of Burner Management Systems on all fired heaters. These will mitigate risks by requiring operator sign offs and preventative maintenance.

Over 50 hydrocarbon gas analyzers were installed throughout Silsbee between 2019 and 2022 to better detect leaks.

Customer Health and Safety

At Trecora, we prioritize the health and safety of our customers. Our commitment extends beyond our operational boundaries, encompassing the entire lifecycle of our products. We rigorously adhere to industry-leading safety standards, ensuring reliability and integrity. Through continuous research, development, and proactive risk management, our dedication to customer health and safety reflects our unwavering commitment to responsible and sustainable practices throughout our value chain.

Trecora has implemented industry standard safety and environmental protocols to transport our products. We continue to improve our training programs for public responders in the unlikely event of a release. Our products meet or exceed applicable regulations, standards, and guidelines, including the U.N. Globally Harmonized System of Classification and Labelling of Chemicals (GHS). We also apply relevant standards for product safety where no regulation or standard may exist to enable communication of product safety aspects to our customers.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Diversity, Equity, Inclusion and Belonging

Trecora is committed to creating and maintaining a workplace in which all employees have an opportunity to participate and contribute to the success of the business and are valued for their skills, experience, and unique perspectives. This commitment is embodied in our company policies and the way we do business and is an essential principle of sound business management.

Trecora prohibits discrimination in connection with employment opportunities, benefits or privileges; discriminatory work conditions; or use of discriminatory evaluative standards in employment if the basis of that discriminatory treatment is, in whole or in part, the person's race, color, national origin, religion, age, sex, gender identity or expression, genetic information, sexual orientation, disability status, marital status, or any other status protected by federal, state, or local laws.

Employee Engagement, Retention, and Advancement

Our people are the driving force behind everything we do, and their engagement, development, and retention are central to the success of our company. We take pride in nurturing a culture that values employee well-being and professional growth. We invest in ongoing training and development opportunities, fostering a skilled workforce equipped to meet the evolving demands of our industry. By prioritizing employee engagement, retention, and advancement, we strengthen our internal foundation and empower our team to contribute effectively to our broader sustainability goals. We are dedicated to fostering a workplace where every individual thrives, ensuring that Trecora remains resilient and innovative.

Trecora provides the following standard health and welfare benefits:
- Medical Plan
- Dental
- Vision
- Flexible Spending Account
- Life & Accidental Death and Dismemberment Insurance
- Company-Sponsored 401(k) Retirement Account
- Short Term Disability Insurance
- Long Term Disability Insurance
- Worker's Compensation Insurance

8 DECENT WORK AND ECONOMIC GROWTH

Health and Wellness

In addition to standard health and insurance benefits, Trecora promotes our worker's health and well-being through additional benefits such as access to telemedicine and a variety of wellness resources.

We offer telemedicine to all employees through Teladoc's HealthiestYou program. This gives 24/7/365 access to medical services from board-certified doctors for our employees.

Our employees have access to several additional offerings that promote their health and wellbeing. We offer reimbursements for gym memberships, prescription safety glasses, and work boots. Additionally, all employees can access an online weight loss program, an app for on-demand help with stress, anxiety, and depression, digital health programs that incentivize healthy habits, and fitness memberships to Peloton and Apple Fitness or the employee's gym of choice.

Ethics and Human Rights

At Trecora, ethics and human rights are foundational to our business practices. We uphold a code of conduct that respects and protects the rights and dignity of all individuals. Our commitment to ethical behavior extends to our supply chain, where we actively promote fair labor practices and diversity. We believe that respecting human rights is non-negotiable, and we continuously strive to create a workplace and supply chain environment that fosters inclusivity, transparency, and accountability. We intend to add these commitments to a supplier code of conduct.

Opposition to Child Labor and Forced Labor

Trecora is opposed to any form of harmful child labor and forced or compulsory labor. We prohibit any child labor or the use of forced or compulsory labor anywhere in our supply chain. This is communicated in our Code of Business Conduct and Ethics.

Community Engagement

11 SUSTAINABLE CITIES AND COMMUNITIES

Trecora's relationship with our communities is built on trust, collaboration, and a shared vision for a better future. We believe that responsible corporate citizenship involves minimizing our environmental footprint and actively contributing to the social and economic well-being of the communities we call home.

Some of the ways we have given back to our communities of Pasadena and Silsbee:

Employee volunteer cleanup program at our Pasadena facility

We have been supporting the MS society and we also supported some of our employees riding in the MS150 race

In the fall of 2022 Trecora organized a family run and walk to support the Susan G. Komen Breast Cancer foundation

Charitable Giving

Trecora offers a donation matching program, with up to $2,000 available annually per employee. Trecora also donates to organizations that strengthen our community, such as local school districts, the Christian Care Center of Silsbee, the Hardin County Youth Project Show, the American Cancer Society, and the Texas Energy Museum.

As discussed above, to support public services that protect our local community, Trecora funded the construction of the Silsbee fire station that opened in September 2022.

In 2021, we funded the construction of a new fire station in Silsbee. Since completion, we have used this location to coordinate emergency safety drills with the community.

Supply Chain Engagement

Procurement Policy

Trecora's Procurement Policy structures our purchasing processes and sourcing strategies to ensure that all goods and services we acquire are the result of transparent, objective, time and cost-effective decision-making and risk management. This policy contains ESG guidance to help align our procurement processes with socially responsible, diverse, and ethical business operations and practices.

EcoVadis Bronze

Trecora participates in the annual EcoVadis survey and has been a proud member of the EcoVadis community since 2016. In 2022, we achieved the EcoVadis Bronze recognition level, a significant accomplishment that motivates us to strive for even higher recognition levels in the years ahead.

Conclusion

In 2022, Trecora has made significant strides in developing our sustainability program, firmly embedding sustainability as a major consideration in all our business decisions. As we continue to build on our program, we would like to highlight three areas that will be of prominent focus for us in the next year:

Driving Emissions Reductions: Our current emissions reduction initiatives described in this report will continue to reduce our GHG footprint. Looking forward, we will continue to identify and implement cost-effective initiatives to attain greater emissions reductions and ultimately achieve our 2030 reduction target.

Transparency and Product Impact: By 2024, we will be publishing the results of the product carbon footprint (PCF) of our family of wax products. This will empower our customers with valuable insights, allowing them to make informed choices and understand the environmental impact of our products.

Waste Reduction: We will complete custom processing projects in the next year, which will allow us to focus on recurring projects with greater efficiency and waste recovery. We anticipate this trend will reduce our hazardous and non-hazardous (class 1) waste production in the next year by over 300 tons.

The year ahead promises continued momentum, and we eagerly anticipate sharing our achievements with you. Together, we can make a positive impact on our environment and communities, and we thank you for joining us on this journey.

2022 Trecora Sustainability Report

Disclaimer

This report contains certain "forward-looking statements" relating to our business as defined by the provisions of the Private Securities Litigation Reform Act of 1995. These statements may be identified by words such as "expects", "targets" "intends", "plans", "estimates", "will" or other words of similar meaning and include, but are not limited to, statements regarding the outlook for future business and financial performance of Trecora. Forward-looking statements are based on management's current expectations and assumptions and therefore inherently involve risks and uncertainties. Actual results and outcomes could differ materially for various reasons, including, among others, assumptions not being realized, scientific or technological developments, evolving government regulations, evolving sustainability strategies, our expansion into new products, services and technologies, or other changes in circumstances. All forward-looking statements reflect Trecora's beliefs and assumptions only as of the date such statements are made. Trecora does not undertake any obligation to update any forward-looking statements, whether because of new information, future events, or circumstances or otherwise.

Data Index

Performance Data					
Category	Unit of Measure	2021	2022	GRI Reference	SASB Reference
Environmental					
GHG Emissions					
Scope 1	metric tons CO_2e	100,242	95,372	305-1	RT-CH-110a.1
Silsbee	metric tons CO_2e	84,965	80,418	305-1	RT-CH-110a.1
Pasadena	metric tons CO_2e	15,277	14,954	305-1	RT-CH-110a.1
Scope 2	metric tons CO_2e	25,037	25,298	305-2	
Silsbee	metric tons CO_2e	12,829	13,942	305-2	
Pasadena	metric tons CO_2e	12,208	11,356	305-2	
Scope 1 and 2 Total	metric tons CO_2e	125,279	120,670	305-1,2	
Emissions Intensity	tCO_2e/ton product	0.4785	0.4937	305-4	
Scope 3 Category 1 - Purchased Goods and Services	metric tons CO_2e	105,462	113,036	305-3	
Scope 3 Category 2 - Capital Goods	metric tons CO_2e	595	638	305-3	
Scope 3 Category 3 - Fuel and Energy-Related Activities	metric tons CO_2e	24,425	26,179	305-3	
Scope 3 Category 4 - Upstream Transportation	metric tons CO_2e	22,555	24,175	305-3	
Scope 3 Category 5 - Waste Generated	metric tons CO_2e	542	581	305-3	
Scope 3 Category 6 - Business Travel	metric tons CO_2e	12	13	305-3	
Scope 3 Category 7 - Employee Commuting	metric tons CO_2e	383	411	305-3	

Category	Unit of Measure	2021	2022	GRI Reference	SASB Reference
Scope 3 Category 9 - Downstream Transportation	metric tons CO_2e	276	295	305-1,2	
Scope 3 Category 11 - Use of Sold Products	metric tons CO_2e	123,501	132,370	305-3	
Scope 3 Category 12 - End of Life Treatment of Sold Products	metric tons CO_2e	603	649	305-3	
Scope 3 Total	metric tons CO_2e	278,355	298,347	305-3	
Scope 1, 2 and 3 Total	metric tons CO_2e	403,634	419,017	305-1,2,3	
Energy					
Natural Gas	MWh	553,108	526,240	302-1	RT-CH-130a.1
Purchased Electricity	MWh	45,436	50,152	302-1	RT-CH-110a.1
Fuel used for self-generation of steam	MWh	11,912	11,684	302-1	RT-CH-110a.1
Waste Generated and Disposal Methods					
Hazardous Waste	US Tons	763.30	1,170.00	306-3	RT-CH-150a.1
Silsbee	US Tons	27.26	30.43	306-3	RT-CH-150a.1
Scope 1 and 2 Total	US Tons	0	7.82	306-3	RT-CH-150a.1
Emissions Intensity	US Tons	0	1.23	306-3	RT-CH-150a.1
Scope 3 Category 1 - Purchased Goods and Services	US Tons	0.79	5.11	306-3	RT-CH-150a.1
Deepwell Injection	US Tons	0	16.17	306-3	RT-CH-150a.1
Solvent Recovery	US Tons	0	0.1	306-3	RT-CH-150a.1
Other recovery or reclamation	US Tons	16.37	0	306-4	RT-CH-150a.2

Category	Unit of Measure	2021	2022	GRI Reference	SASB Reference
Closed Landfill	US Tons	10.10	0	306-5	RT-CH-150a.3
Pasadena	US Tons	736.04	1,139.58	306-3	RT-CH-150a.1
Incineration	US Tons	24.32	0.2	306-3	RT-CH-150a.1
Bulk Storage	US Tons	369.33	381.9	306-3	RT-CH-150a.1
Other recovery or recla-mation	US Tons	0	194.5	306-3	RT-CH-150a.1
Deepwell Injection	US Tons	0	121.2	306-3	RT-CH-150a.1
Energy Recovery	US Tons	140.08	144.2	306-3	RT-CH-150a.1
Fuel Blending/Offsite energy recovery	US Tons	190.18	240.2	306-3	RT-CH-150a.1
Closed Landfill	US Tons	7.77	54.1	306-3	RT-CH-150a.1
Solvent Recovery	US Tons	3.52	3.2	306-3	RT-CH-150a.1
Stabilization prior to land disposal	US Tons	0.85	0	306-4	RT-CH-150a.2
Non-Hazardous (Class 1)	US Tons	860.68	896.70	306-3	RT-CH-150a.1
Silsbee	US Tons	23.08	110.57	306-3	RT-CH-150a.1
Closed Landfill	US Tons	23.08	110.2	306-3	RT-CH-150a.1
Bulk Storage	US Tons	0	0.4	306-3	RT-CH-150a.1
Pasadena	US Tons	837.6	786.13	306-3	RT-CH-150a.1
Deepwell Injection	US Tons	143.24	239.9	306-3	RT-CH-150a.1
Closed Landfill	US Tons	660.4	506.2	306-3	RT-CH-150a.1
Fuel Blending/Offsite energy recovery	US Tons	2.98	20.1	306-3	RT-CH-150a.1
Bulk Storage	US Tons	30.99	19.9	306-3	RT-CH-150a.1

Category	Unit of Measure	2021	2022	GRI Reference	SASB Reference
Non-Hazardous (Class 2)	US Tons	56.76	108.46	306-3	RT-CH-150a.1
Silsbee	US Tons	Not Available	55.63	306-3	RT-CH-150a.1
Closed Landfill	US Tons	Not Available	55.63	306-3	RT-CH-150a.1
Pasadena	US Tons	56.76	52.84	306-3	RT-CH-150a.1
Closed Landfill	US Tons	56.76	52.84	306-3	RT-CH-150a.1
Water					
Purchased Water	MMGal	66.30	68.14	303-3	RT-CH-140a.1
Silsbee	MMGal	13.11	16.04	303-3	RT-CH-140a.1
Pasadena	MMGal	53.19	52.10	303-3	RT-CH-140a.1
Discharged Water	MMGal	41.70	42.40	303-4	RT-CH-140a.1
Silsbee	MMGal	16.1	16.83	303-4	RT-CH-140a.1
Pasadena	MMGal	25.6	25.57	303-4	RT-CH-140a.1
Air Pollutant Emissions					
NOx	US Tons	64.06	62.4	305-7	RT-CH-120a.1
Silsbee	US Tons	50.03	48.3	305-7	RT-CH-120a.1
Pasadena	US Tons	14.03	14.1	305-7	RT-CH-120a.1
CO	US Tons	89.73	93.9	305-7	RT-CH-120a.1
Silsbee	US Tons	58.28	62.5	305-7	RT-CH-120a.1
Pasadena	US Tons	31.45	31.5	305-7	RT-CH-120a.1
VOC	US Tons	52.63	63.6	305-7	RT-CH-120a.1

Category	Unit of Measure	2021	2022	GRI Reference	SASB Reference
Silsbee	US Tons	50.61	54.0	305-7	RT-CH-120a.1
Pasadena	US Tons	2.02	9.6	305-7	RT-CH-120a.1
SO2	US Tons	0.44	0.4	305-7	RT-CH-120a.1
Silsbee	US Tons	0.38	0.4	305-7	RT-CH-120a.1
Pasadena	US Tons	0.06	0.1	305-7	RT-CH-120a.1
Particulate Matter	US Tons	5.73	5.4	305-7	RT-CH-120a.1
Silsbee	US Tons	4.78	4.4	305-7	RT-CH-120a.1
Pasadena	US Tons	0.95	1.0	305-7	RT-CH-120a.1
Bulk Storage	US Tons	0	0.4	306-3	RT-CH-150a.1
Pasadena	US Tons	837.6	786.13	306-3	RT-CH-150a.1
Social					
Employment					
Employee Turnover	% Turnover	26%	13%	401-1	
Safety					
Total Number of Fatalities	# Fatalities	0	0	403-9	RT-CH-320a.1
Recordable Incidents	# Recordable Incidents	4	4	403-9	RT-CH-320a.1
Total Recordable Incident Rate	TRIR	0.92	0.70	403-9	RT-CH-320a.1
Process Safety Events	# PSE	3	0	403-2	RT-CH-540a.1
Tier 1 Process Safety Event Rate	T-1 PSE	0	0	403-2	RT-CH-540a.1
Tier 2 Process Safety Event Rate	T-2 PSE	0.18	0.17	403-2	RT-CH-540a.1

Category	Unit of Measure	2021	2022	GRI Reference	SASB Reference
Diversity					
Upper Management	Female:Male Ratio	0:8	1:8	405-1	
All Other Employees	Female:Male Ratio	1:5	1:5	405-1	
Charitable Giving					
Charitable Donations	USD	$82,600	$90,000	413-1	