



2020 SUSTAINABILITY REPORT



GRAYMONT



REPORT SCOPE

The 2020 Sustainability Report summarizes the sustainability performance of Graymont and its subsidiaries, including recently acquired lime operations in Asia Pacific. The Company's global lime and limestone operations constitute the largest portion of its economic, environmental, and social impacts. In this report, data and information contained in the Environmental Care section relate primarily to the lime operations. Historical data and information in the Workforce Culture and Community Relations sections relate to all operations, including the Materials Group prior to its divestment in mid-2017.

Discussion, data and information contained herein relate, with noted exceptions, to the 2020 calendar year. Historical data is provided, again with noted exceptions, for the years 2016 through 2020 and includes references to the year 2004, which has been established as the baseline. The 2021 report is scheduled for publication in April 2022.

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About Graymont

Graymont is a global leader in lime and limestone solutions. Headquartered in Canada, it serves markets throughout North America and Asia Pacific. Graymont is also the strategic partner of Mexican-based Grupo Calidra, the largest lime producer in Latin America. Professionally managed and family owned, our Company has been in operation for more than 70 years. Graymont aims to be the preferred supplier, employer, and partner of choice wherever it operates.

Our products are essential in addressing many of today's most pressing environmental issues, while supporting vital industrial processes and agricultural needs. Applications include the purification of air and water, and the production of an array of items and materials essential to a modern economy, such as paper, glass, steel and assorted other metals.

WHAT WE VALUE

Our success requires both individual effort and teamwork in accordance with our shared Graymont values.

- ▶ **Integrity**
We always do the right thing.
- ▶ **Respect**
We respect:
 - the right of every individual to a safe workplace;
 - the cultures, customs and values of all people;
 - the sustainability objectives of society; and
 - our shareholders' capital.
- ▶ **Teamwork**
Effective teams can better solve complex problems.
- ▶ **Innovation**
There is always a better way to do things.
- ▶ **Excellence**
Whatever we do, we strive to do it well.
- ▶ **Long-Term Perspective**
We take a long-term perspective around decisions.
- ▶ **Accountability**
We honor our commitments.

GRAYMONT'S MISSION

Improving our world by responsibly meeting society's needs for quality lime and limestone products.

OUR VISION

World Class in everything we do!

- ▶ **Safety**
We operate safe, clean and orderly facilities where everyone shares a strong commitment to an injury-free workplace.
- ▶ **Customers**
We are committed to exceeding our customers' needs by reliably delivering quality products and services.
- ▶ **Communities**
We proactively develop and maintain relationships of mutual support with our neighbours and others for the long-term success of Graymont and our communities.
- ▶ **Environment**
We are dedicated to improving our environmental performance.
- ▶ **Value Creation**
We continuously optimize our processes and activities to deliver increased value to all stakeholders.
- ▶ **People**
We have developed a talented team of engaged and empowered individuals, collaborating to deliver world-class performance.

What We Do

Lime, Graymont's main product, is a versatile industrial solution that has long been indispensable for vital industrial processes and applications. More recently, lime has also become an essential solution for addressing a myriad of complex environmental issues and challenges, both naturally occurring and man-made.

The word "lime" refers to products derived from burnt (calcined) limestone. Limestone is a naturally occurring and abundant sedimentary rock, comprised of high levels of calcium and/or magnesium carbonate and/or dolomite (calcium and magnesium carbonate), along with small amounts of other minerals. It is extracted from quarries and underground mines all over the world.

Once extracted, the stone goes through a crushing and screening process to create the proper sizes required for various applications. The stone is then fed to a kiln, where it is heated at high temperature. The intense heat triggers the chemical reaction that transforms limestone into lime. Lime can be used at this stage, where it's called "quicklime," or water can be added to produce "hydrated lime."

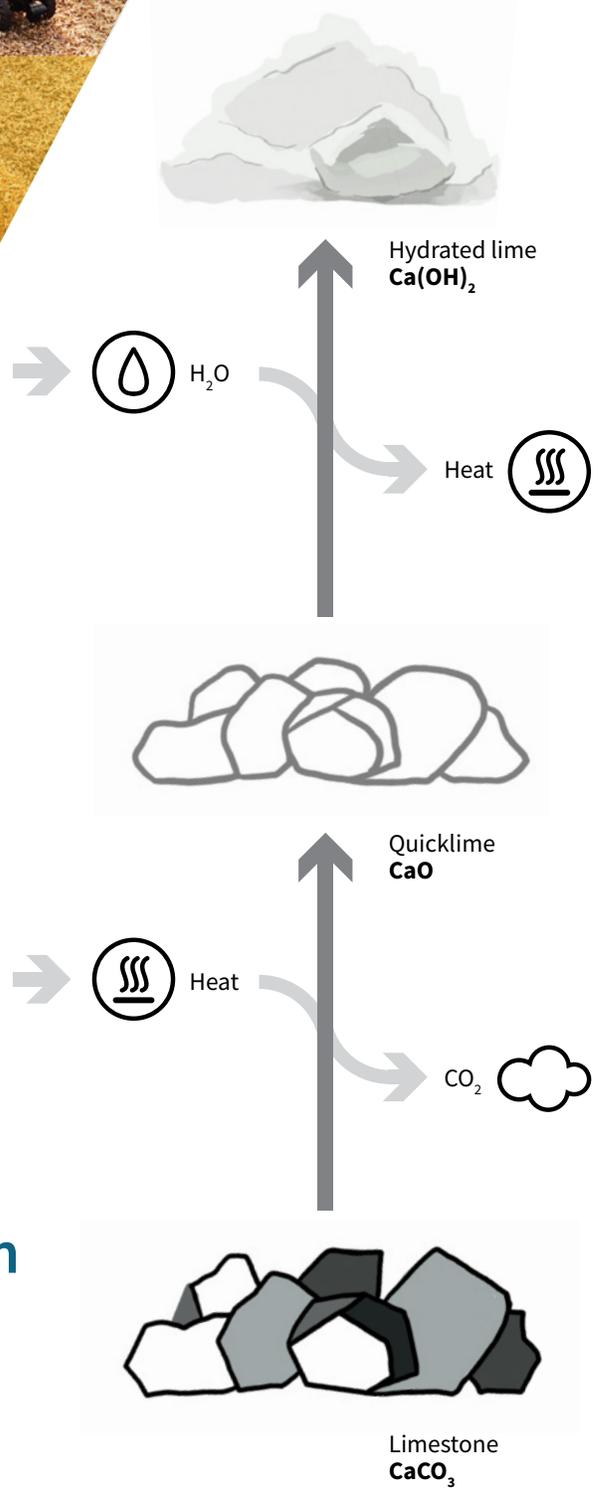
TYPICAL QUICKLIME AND HYDRATED LIME APPLICATIONS

- ▶ **Mining:** including soda ash, copper, zinc, nickel, gold, uranium
- ▶ **Industry:** steel, alumina, glass, pulp and paper and oil and gas production
- ▶ **Agriculture:** soil pH, soil conditions improvement, dairy and poultry feeding supplements
- ▶ **Food production and conservation:** sugar, produce, dairy, glue and gelatin, baking industry
- ▶ **Construction:** mortar, plastering, restoration, whitewash, soil stabilization and asphalt treatment
- ▶ **Environment:** acid rain reduction, environment rehabilitation, water and sewage treatment, animal waste treatment, flue gas treatment, industrial sludge and petroleum waste treatment, acidic drainage treatment





Lime Production Process



A Message From the CEO

Over the course of nearly a decade as Graymont's CEO, I have observed on numerous occasions how fortunate I am to lead such an outstanding organization. That sentiment was reinforced as I looked back at the unprecedented events of 2020, when we found ourselves in uncharted waters, grappling with a global pandemic that literally threatened lives and livelihoods, and tested the limits of our resources and resolve.

Given the essential nature of Graymont's business — lime has long been regarded as indispensable for vital industrial processes and, more recently, has come to the fore as a key element for addressing complex environmental challenges — we were compelled on short notice to find innovative solutions that would enable us to keep our facilities up and running and maintain crucial supply chains to our customers, many of whom are also deemed essential.

Our Graymont teams at sites across North America and Asia Pacific rose to the occasion. Leveraging a powerful combination of talent and tenacity, they managed to largely keep the coronavirus at bay — there were no major outbreaks at any of our facilities — while maintaining our plants operations at near-normal levels and avoiding major disruption to supply chains.

Furthermore, we managed to turn in Graymont's best-ever safety performance, bucking an industry trend that saw safety at many mining and materials producers negatively impacted during the pandemic. This is quite an achievement! I invite you to examine our exemplary safety record in more detail by turning to Page 8.

This 2020 Sustainability Report chronicles some of the noteworthy challenges and achievements that characterized a year like no other, as we continued striving to attain world-class performance in all aspects of Graymont's operations.

With respect to the environment, Graymont aims to consistently meet or exceed its regulatory and permit obligations, while working proactively to minimize the environmental impacts of its operations. The benefits of our comprehensive, systems-based approach were reflected in a 12% reduction in total environmental incidents in 2020 — marking the fourth successive year of improved performance.

Nevertheless, the lime industry, along with steel, cement and others, remains a significant source of greenhouse gas (GHG) carbon emissions. Consequently, tackling climate change will continue to be among the greatest challenges we face in the foreseeable future. We are determined to work with governments, customers, suppliers, industry associations and our host communities in the global transition to a low carbon economy.

At Graymont, we also pride ourselves on working hard to build bridges and engage in a meaningful way with the communities where we are present — including with First Nations, Aboriginal and Indigenous peoples. Needless to say, the strict anti-COVID measures adopted across our operations in 2020 inhibited our ability to stage the usual ambitious agenda of collaborative community events. However, to their credit, many sites responded by redirecting their efforts to pandemic-related initiatives designed to enhance the quality of life for some of the most vulnerable members of their communities, while respecting social distancing. You can learn more about those endeavours in the Community Relations section of this report.

Looking ahead, a new area of focus that is a priority for me and the rest of Graymont's senior leaders is the issue of equity, diversity and inclusion (EDI). This topic has become increasingly relevant in today's workplace, particularly for companies like Graymont that have global footprints. We have broadened our thinking on this topic, from a narrower lens looking solely at gender diversity, to considering diversity in all its forms and ensuring equity and inclusion are key pillars along with diversity. I encourage you to read more about our recently launched diversity agenda in the Employee Engagement section.

Notwithstanding the success stories I alluded to above, it is clear when we look back at 2020 that, despite our best efforts, Graymont was not totally immune from the negative impact of the pandemic. With non-essential industrial and commercial activities the world over either significantly slowed or, in many cases, halted altogether, demand for lime slumped in concert with the broader economy. Our sales decreased precipitously in the spring of 2020, before trending upward on a path of steady but gradual recovery that extended into early 2021. Acting responsibly, our Company responded to the prevailing economic and market uncertainty by implementing cash conservation and cost reduction measures and putting a number of potential capital investments on hold, while exercising tighter control and closer scrutiny of on-going projects.

That said, work on all required safety and environment-related initiatives proceeded apace during 2020, and we moved forward with the realization of several major strategic investments, including the Rexton expansion project in Michigan's Upper Peninsula, and the pending restart of the Charbon lime plant and Excelsior Quarry in New South Wales, Australia. Meanwhile, we continued with the successful integration of Asia Pacific assets — in Eastern Australia, the Philippines and Malaysia — acquired from the Belgium-based Sibelco group in late 2019.

In conclusion, I would like to salute the remarkable men and women who showed up for work day in and day out at Graymont facilities across our global network in 2020, often in difficult circumstances. It is primarily due to their efforts that we were able to not simply carry on in the face of the pandemic, but to deliver a solid all-round performance. It would be remiss of me not to acknowledge as well the hard work and dedication of fellow members of our senior management team. Finally, I am grateful for the unwavering support of our shareholders, who take a long-term approach to business — and embrace our aim to become the world-class leader of our industry and make Graymont the preferred supplier, employer, and partner of choice wherever in the world we operate.



Stéphane Godin
President and Chief Executive Officer
Graymont



Corporate Governance and Accountability

Central to Graymont’s corporate philosophy is a long-term approach to business, built on a solid commitment to sustainable growth and strict adherence to responsible environmental, workplace and operating practices. This philosophy is evident in actions taken at every level of the company, from the Board of Directors and the Strategic Leadership Team (SLT) to managers, supervisors and front-line employees throughout the organization.

Board Oversight

The fundamental objective of Graymont’s Board of Directors is to create shareholder value. To that end, the Board recognizes that, in addition to delivering sustained profitability, the Company must maintain a high level of health-and-safety, environmental and social performance.

In accordance with that underlying objective, and in keeping with the Board’s governance responsibilities, six permanent Board Committees oversee specific aspects of the business considered crucial to Graymont’s long-term viability. They include the Environment, Health, Safety and Community Engagement (EHSCE) Committee; the Employee Retirement and Health Benefits Committee; the Talent and Compensation Committee; the Resources and Reserves Committee; the Audit and Finance Committee and the Legal and Risk Management Committee. The EHSCE Committee, whose function is most relevant to this report, exercises due diligence by closely monitoring performance in those four vital areas and reporting back to the full Board on its activities and observations.

Strategic Leadership Team

The Board, in turn, holds management – in particular the SLT – accountable for the responsible day-to-day conduct of the business.

Led by the President and Chief Executive Officer (CEO), the SLT also includes the Vice President and Chief Financial Officer; the President of Graymont’s Asia Pacific operations; the Vice President, North America Operations; the Vice President General Counsel and Corporate Secretary; as well as the Vice Presidents for Sales and Marketing; Human Resources and Corporate Services; Corporate Affairs, Environment and Sustainability; and Business Development and Technical Services.

The responsibilities of the SLT also extend to the development and implementation of a broad strategy that reflects Graymont’s world-class vision. The strategy aims to drive continuous improvement in six vital areas:

**COMMUNITIES
SAFETY
CUSTOMERS
ENVIRONMENT
VALUE CREATION
PEOPLE**

A Responsibility Shared by All

In summary, from an organizational perspective, accountability for sustainable development rests with focused management and leadership at the local, regional and corporate levels while encompassing our One Graymont culture. Graymont utilizes an annual performance-review process that is integrated at all levels of management, to ensure goals are set in accordance with corporate strategy and that we move forward and drive continuous improvement. However, the Company's strong commitment to corporate social responsibility transcends divisional, departmental and hierarchical boundaries. There is a fundamental expectation within Graymont that all employees share in the responsibility for developing and maintaining a sustainable organization.

CODE OF BUSINESS CONDUCT AND ETHICS

Graymont's commitment to operating with integrity and according to the highest ethical standards is an integral part of the foundation on which we are building a world-class organization. Our Code of Business Conduct and Ethics sets out the standards that all Graymont employees, officers and directors must adhere to.

In addition, Graymont maintains an Ethics Reporting System, managed by an independent third-party provider, which allows employees to report alleged violations of the Code on an anonymous and confidential basis.

Graymont's Code of Business Conduct and Ethics is available on our website: www.graymont.com/en/about-us/mission-vision-values

ABORIGINAL, FIRST NATIONS AND INDIGENOUS PEOPLES POLICY

Graymont recognizes that collaboration with First Nations, Aboriginal and Indigenous communities is essential for the realization of our mission and world-class vision. We strive to build and maintain effective long-term relationships based on trust and respect that are mutually beneficial. Our Aboriginal, First Nations and Indigenous Peoples Policy sets out the guiding principles of this commitment and outlines focus areas for mutual value-creation opportunities.

Graymont's Aboriginal, First Nations and Indigenous Peoples Policy is available on our website: www.graymont.com/en/sustainability/aboriginal-first-nations-and-indigenous-peoples-policy



Workforce Culture

Graymont's intense focus on workforce culture — particularly with respect to health and safety — demonstrated its true worth in 2020, facilitating an all-out team effort that enabled us to significantly mitigate the impact of COVID-19 on Graymont's people and operations.

As Graymont has grown and evolved into a global industry leader, we have never been shy to credit our success in large part to the efforts of the remarkable men and women — now numbering 1,576 — who bring their skills and energy to work every day at offices and plant sites across North America and Asia Pacific. In return, the Company strives to provide competitive wages and benefits, a safe, healthy work environment, and ample opportunities for employees to grow and develop in order to achieve their full potential.

SAFETY

Health and safety are core Graymont values — essential to realizing our vision of being world-class in everything we do. Nothing is more important than ensuring that our co-workers return home safely to their families and loved ones at the end of the day. Hence our commitment to creating and sustaining a robust, safety-first culture, where everyone is committed to reaching the ultimate goal of zero injuries.

Pandemic Puts Safety Practices to the Test

That commitment was put to the test early in 2020, as the first wave of the global pandemic began to batter populations and economies in various regions of the world where Graymont operates.

Because lime is deemed an essential industry, Graymont's operations remained open throughout the course of the year. This necessitated putting in place numerous measures designed to protect the health of employees and their families, while assuring the continuity of operations and maintaining critical supply chains to customers.

THE COVID-RELATED MEASURES AND PROTOCOLS ADOPTED INCLUDED:

- ▶ Establishment of a COVID-19 Taskforce and complementary cells to constantly monitor the situation and lead the response as required
- ▶ Creation of a COVID-19 Resources Hub that enables employees to access relevant information, tools and guidelines
- ▶ Arrangements for employees to work from home whenever possible
- ▶ A stipulation that employees who must work from a Graymont facility adhere to enhanced personal-hygiene and cleaning practices and observe social distancing
- ▶ Implementation of formal protocols for reporting COVID-19 symptoms, and determining if and when employees should not come to work
- ▶ Introduction of thorough site-screening procedures
- ▶ Adoption of staggered work schedules and the establishment of isolated work stations for certain strategic functions
- ▶ Limiting in-person meetings to demonstrably critical tasks
- ▶ Placing strict limitations and, in some regions, an outright ban on air travel





Graymont took all necessary precautions to prevent the spread to other employees

Despite those measures, a number of employees did test positive for COVID-19, with most of the cases attributed to community transmission as determined by contact tracing.

Nevertheless, Graymont took all necessary precautions to prevent the spread to other employees, while supporting COVID-19-positive employees and their families to ensure they had access to appropriate healthcare that would help facilitate their speedy and complete recovery. As vaccines become more available in 2021, Graymont is committed to making certain they will be accessible to all employees at no cost.

Outstanding Performance Belies Impact of COVID-19

Given the COVID-related disruptions and distractions that arguably made 2020 a year like no other, it should come as no surprise that the safety performance of the mining industry, including the lime sector, was negatively impacted by these events. For instance, the U.S.-based National Lime Association (NLA) reported a sharp uptick in the overall “incident rate.”

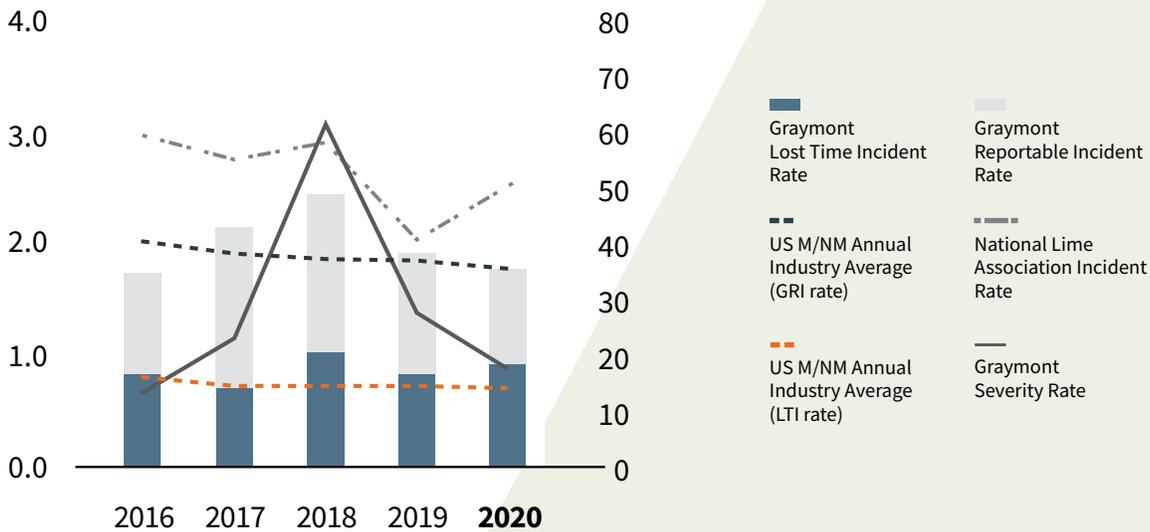
Against that backdrop, Graymont is particularly pleased to have bucked the trend and achieved significant improvements in two of its KPIs for 2020 — the Graymont Reportable Incident Rate (GRIR) and the Graymont Severity Rate (GSR). We attained our best-ever GRIR at 1.73, and our second-best GSR at 18.4. The Graymont Lost Time Incident Rate (GLTIR), although not at a record low, is below the previous five-year average, indicating progress nonetheless.

This exceptional performance in an extraordinarily difficult environment attests to the dedication and determination of our employees to keep their workplaces safe, as well as to the Company’s proactive management of the COVID-19 threat.

CONTRACTORS

We have historically captured contractor and carrier incidents, good catches, near misses, and injuries/illnesses in our safety incident reporting system. During 2020, we have started extracting these numbers on a monthly, quarterly and annual basis and reporting them to the Board of Directors. The majority of contractors/carrier employees are not directly supervised by Graymont and we do not have access to their hours worked, therefore we are reporting the raw numbers of good catches, near misses, and injuries/illnesses that occur. This heightened level of attention and transparency enhances our focus on managing contractor risks. To that end, in 2021 we are undertaking a contractor management project that will, in its first phase, standardize contractor, carrier and visitor site inductions and provide a platform with which to deliver and track this training via e-learning.

Graymont Safety Performance



Safety Culture Project

The Safety Culture Project, a major initiative that focuses on the area of human behavior to help instill a robust safety culture, gained further traction in 2020. It is widely believed that a behavioral approach holds the key to the next “step change” advance in workplace safety. Simply put, because all human behavior is learned, “risky” behaviors can be unlearned and replaced by new, more desirable behaviors. To that end, Graymont aims to nurture a culture of stewardship and mutual consideration, where the main driver of behavior is the employees’ wish to stay safe as a team and look out for one another. In that type of environment, employees are motivated to operate in a safe manner and avoid undue risks, not because the rules and regulations say they must, but rather because they care about one another’s well-being: it is essentially a case of “we’ve got your back.”

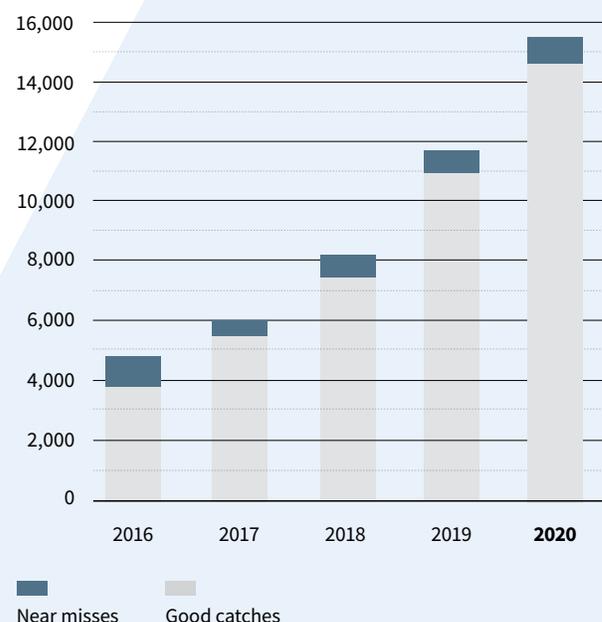
The safety culture improvement work continued in 2020, albeit scaled back due to the inability to travel and visit sites. Most notably, the Pleasant Gap facility introduced a composite safety score that includes leading indicator measurements for all levels, including front line employees. This has allowed for a more objective criteria for positive recognition and behavior interventions. The Pleasant Gap management team has also continued their formal interactions program whereby members of the management team strike up conversations with employees working on various tasks. These discussions offer opportunities for positive reinforcement and employees’ responses are rated on the safety culture maturity scale from counterproductive to citizenship. In an era where it is not feasible to conduct on-site audits of safety culture maturity, this is a grass roots effort at the Pleasant Gap facility to not only create a leading metric that shows shifts in overall safety maturity but also helps develop leadership skills and increase interactions specific to safety culture and behaviors. In 2021, we will roll out a Safety Interaction Tracking System that will allow us to scale up this approach across the organization, including Asia Pacific.

Near Misses and Good Catches

In 2020, Graymont operations continued to focus on advancing safety-culture maturity. Central to these efforts is a program that entails encouraging people to jointly report occurrences that we dub “near misses” and “good catches.” A good catch is a situation involving a potential hazard that is identified and resolved prior to causing injury to a worker, while a near miss is an incident that resulted in no harm to a worker. Tracking these occurrences, which may be attributed to conditions in the workplace and/or employee behaviour, helps us identify opportunities for improvement *before* someone gets injured.

Historically, the majority of near misses and good catches have been linked to unsafe, or potentially unsafe, work conditions — for instance, a machine guard that needs repairing or a housekeeping issue. Recognizing that most injuries also involve some element of behavior in the causal pattern, we wanted to have a sharper focus on instances of inappropriate or unsafe behavior.

NEAR MISSES AND GOOD CATCHES





During 2020, behavior-related events accounted for some 6,400 — or more than 40% — of the approximately 15,000 reported near misses/good catches. That equates to roughly twice the number of behavior-related occurrences reported in 2019, when we launched this initiative.

A sustained upward trend in the reporting of such events illustrates that our safety culture continues to gain traction, and that Graymont employees understand and appreciate the value of accident prevention.

Rather than being disciplined or exposed to other negative responses, employees are encouraged to come forward as teams in order to learn from the occurrences and receive positive reinforcement. Going forward, there is every indication to believe this approach will prove effective in helping us identify systemic practices where further risk-control is required.

Graymont aims to nurture a culture of stewardship and mutual consideration

Uniform Standards Help Drive Continuous Improvement Organization-Wide

With a view to further enhancing safety performance, Graymont has adopted a multidisciplinary strategy that stresses the value of teamwork and cross-functional collaboration to achieve continuous improvement throughout the Company, in keeping with our One Graymont culture.

To that end, a set of uniform health-and-safety standards has been developed and successfully embedded at Graymont facilities in North America and New Zealand over the past several years. The year 2020 saw implementation of those comprehensive standards get under way at recently acquired facilities elsewhere in Asia Pacific, namely in Australia, Malaysia and the Philippines. A first phase of implementation, focused on the six highest-risk standards, is complete. The implementation is on-going, with the objective of having all standards fully implemented by mid-year 2021.

Due to travel restrictions stemming from COVID-19, Graymont's Asia Pacific Health and Safety (H&S) teams found themselves having to rely on virtual training and best-practices sharing sessions to help keep the standards implementation on track. Fortunately, however, the Company's H&S specialists demonstrated their penchant for innovation with the timely development of e-learning modules for each of the standards — tools that will prove especially useful to support and facilitate H&S training in a social-distancing environment.

H&S Internal Audit

During 2020, we commenced the third cycle of our comprehensive H&S Internal Audit program, which verifies compliance with more than 400 different requirements at each of our facilities. The audit exercise is intended to be constructive and aims to ensure conformance while providing opportunities for the respective sites to learn from one another and share good practices.

Here again, our approach had to be adapted to comply with COVID-related travel restrictions that prevented teams of auditors from visiting most sites in person. Consequently, we developed a process that enables us to conduct virtual health-and-safety audits, albeit somewhat limited in scope. Virtual audits focused primarily on documentation review were successfully carried out at four of the Company's production facilities over the course of the year. While there remains room for improvement with the process, we now have the tools in hand to continue virtual audits on a broader scope, until circumstances enable us to return to our usual on-site, in-person procedures.



Building on the Success of Legacy Safety Programs

While embracing new approaches such as the Safety Culture Project, Graymont's commitment to continuous improvement also involves leveraging the success of established programs like the Safety Challenge and our safety-awareness poster campaign. The annual Graymont Safety Challenge, which made its debut in 2015, unfortunately had to be cancelled this year due to the pandemic. Staged during the same week at all facilities across Graymont, the Safety Challenge features a highly engaging game-show format, whereby employees are divided into multidisciplinary teams and challenged to show which side can demonstrate the best knowledge and understanding of Graymont safety standards and culture. It has proven to be a very effective training tool, providing an opportunity for peer-led learning that promotes a positive safety culture while fostering camaraderie and teamwork. As soon as the sanitary measures will be lifted, Graymont's Safety Challenge will be back at the forefront of our safety program.





SCIENCE-BASED APPROACH TO PHYSICAL DEMANDS

Another noteworthy initiative launched in 2019 and continued through 2020 involved partnering with a specialized professional ergonomist to identify and assess the most physically demanding jobs at Graymont’s U.S. facilities. The objective is to gain a better understanding of the physical demands of each position, to help ensure that we hire personnel with the appropriate physical capabilities in order to reduce the risks of injury.

Additionally, this process has helped us identify opportunities for improvement with respect to reducing the physical demands of certain positions, either by improving the work environment or work techniques. Graymont plans on extending the reach and scope of this initiative to other regions and other applications, including enhanced return-to-work and fit-for-duty testing protocols.

Be Safe – Play It Smart

The Be Safe – Play it Smart poster campaign, designed to raise awareness of potential hazards among employees and their families, is another annual fixture on the Graymont safety calendar. Thanks to the input and ideas generated by people from across the organization, we were able to pinpoint specific messages tailored to the issues and situations that dominated 2020. Not surprisingly, given that we found ourselves in the midst of a global pandemic, COVID-related threats figured prominently in eye-catching campaign posters that urged everyone to take appropriate precaution with respect to handwashing and personal hygiene, social distancing and the protocols for recognizing and reporting symptoms.

SAMPLE POSTERS FROM THE 2020 CAMPAIGN





EMPLOYEE ENGAGEMENT AND RETENTION

At Graymont, we strive to nurture a One Graymont culture that motivates employees across the organization — in dozens of locations spanning North America and Asia Pacific — to take ownership of the tasks assigned to them and help sustain Graymont’s evolution into a dynamic global industry player.

We understand that the long-term success of our business ultimately depends on effectively engaging with and mobilizing the remarkable men and women who must implement our growth strategy, taking care to ensure that everyone — wherever in the world they happen to be situated — acts for the benefit of all of Graymont, rather than favouring any particular facility, region or function.

We believe it’s not just *what* you do that contributes to our success, but also *how* you go about doing it. It’s about living up to Graymont’s shared values, which include integrity, respect, teamwork and accountability. Ongoing training and professional development are also crucial to fulfilling Graymont’s mission, as is our commitment to open, two-way communication.

The Company’s people-centered approach and its commitment to making Graymont an employer of choice is reflected in a loyal, engaged workforce that numbered some 1,576 full-time permanent employees at year-end 2020. The impact of the COVID-19 pandemic on the global economy and markets necessitated the adoption of a restructuring and streamlining initiative that saw the elimination of approximately 125 jobs over the course of the year, while the voluntary turnover rate increased marginally, to 8.1%. There were no workdays lost to strikes or work stoppages in 2020.

Equity, Diversity and Inclusion (EDI)

As Graymont continues to expand its global reach, the benefits of a diverse, inclusive workforce are increasingly clear and ever more relevant. Hiring people from diverse backgrounds, nationalities and cultures brings to the table a fresh array of perspectives, which fosters innovation, improved problem-solving and decision-making, better employee performance and, in turn, increased profits.

Championing diversity, ensuring employees are treated equitably so they can reach their full potential, and ensuring an inclusive culture so that each employee’s unique perspective is heard and valued also contribute to enhancing a company’s reputation.

Accordingly, in 2020, when Graymont forged ahead with concerted action to achieve greater equity, diversity and inclusion, it determined that the logical place to begin was to take stock of the current reality in our workplaces vis-à-vis gender, since this data is already available.

The proportion of women to men among Company directors and officers is at slightly under 17% for both directors and officers. Women are also under-represented in the senior executive ranks, accounting for a little over 9% of the Senior Management Team. Overall, women account for a little over 14% of Graymont employees and 32% of salaried employees.

EMPLOYMENT



1,576

FULL-TIME PERMANENT EMPLOYEES

8.1%

VOLUNTARY TURNOVER

(includes employees who retired)

11 YEARS

AVERAGE LENGTH OF SERVICE

309

EMPLOYEES WITH SERVICE GREATER THAN 20 YEARS

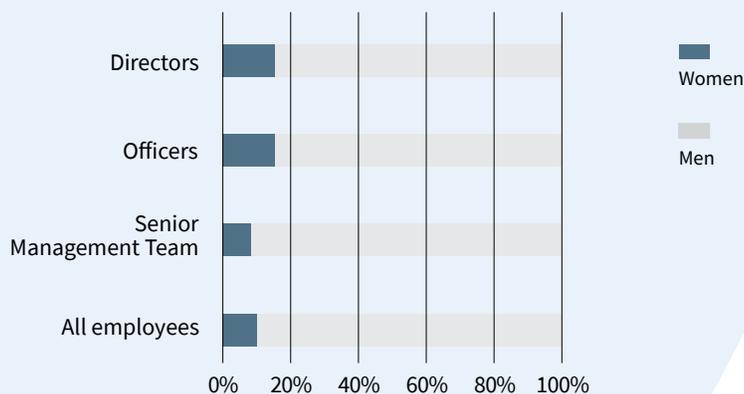
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STRIKE DAYS



Going forward, we will be aiming to understand the reasons for the demographic distribution among our employees, and looking at ways to ensure we do not have barriers to diversity in our workforce, that all employees have equitable access to the resources and opportunities that allow them to reach their full potential, and that we continue to foster an inclusive workplace in which all employees can be themselves.

GENDER DISTRIBUTION



Training and Development

Graymont understands that, to attract and retain top-quality people, we must strive not only to provide meaningful, challenging jobs and competitive remuneration but also professional development opportunities that enable employees to enhance their skill sets and prepare themselves to take on greater responsibilities. The year 2020 was definitely challenging from a training perspective. But the threat posed by the global pandemic turned out to be the catalyst required to help pivot our training strategy from mostly traditional classroom-based to mostly virtual. Our HR teams proved to be more than up to the challenge, barely missing

a beat while successfully delivering critical skills training both virtually and via e-learning. Although work is still underway to complete the transition to predominantly virtual training, a number of key subject areas already have been re-designed and deployed, including induction training; health-and-safety-standards; and “respectful workplace” training. Underscoring the remarkable success of those efforts is the fact that we reached a historic milestone in 2020, with our training programs reaching — one way or another — every single Graymont employee throughout the year, for the first time ever.

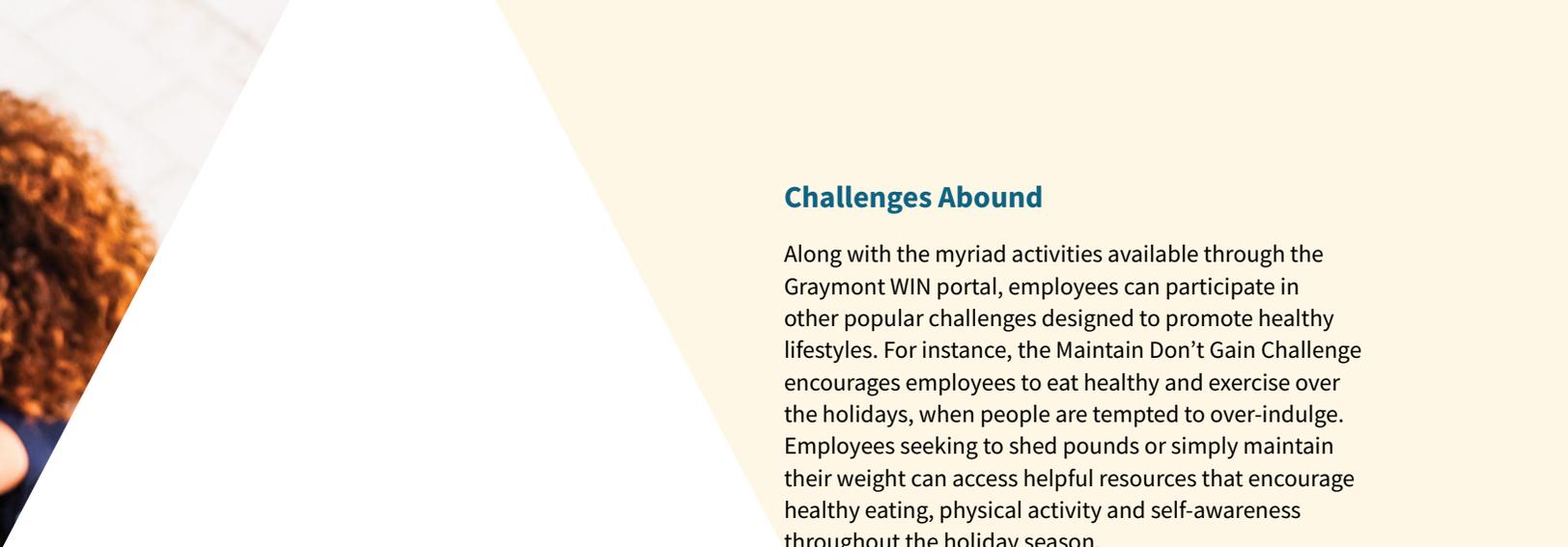


Investing in Our People

At the heart of the Company's training curriculum is the Investing in Our People (IOP) Program. This initiative is focused on providing key employees from the various production sites and corporate functions with the wherewithal required to make the best-possible decisions about their respective areas of Graymont's operations — and, in the process, to further his or her own career. To that end, IOP employs a variety of specialized training tools and programs, all tailored to ensure that participants possess the high level of skills and motivation commensurate with Graymont's quest to become a truly world-class organization. Given that IOP training has proven in the past to be most effective when delivered in person, this particular program has essentially been put on hold for the duration of the pandemic, while we develop appropriate virtual tools. Meanwhile, however, the IOP principles continue to be reinforced and practiced in the Company's North American plants, where they proved particularly effective in helping to manage and mitigate the impact of COVID-19.

Over and above its in-house training and development initiatives, Graymont provides support for personnel who wish to improve their formal education. Full-time employees who pursue approved post-secondary academic or vocational training can have their tuition costs reimbursed. The Company also offers financial assistance to the children of employees to help them take advantage of a wide variety of educational opportunities, through the Graymont Scholarship Program.

The program enables employees to connect with colleagues with similar interests



WIN Program Promotes Smart Lifestyle Choices

Graymont's innovative Wellness is Now (WIN) Program, accessible via a portal on the Sprout social-media platform, is designed to engage employees and their families across the Company's Canadian and U.S. operations and to assist them in making healthier lifestyle choices. WIN exemplifies Graymont's inclusive, people-centered culture. Participants are encouraged to take part in a wide variety of activities supported by the Sprout platform, combining competitive challenges with social networking in order to reach their own particular wellness goals.

In addition to promoting healthy lifestyles, WIN was designed to foster camaraderie and help instill a competitive team spirit. The program enables employees to connect with colleagues with similar interests, either in person or on-line, and to monitor their progress with an easy-to-use activity tracker — all the while racking up points which make them eligible for rewards that provide an extra incentive to adopt a healthy lifestyle. (Of course, in 2020, most of these interactions were staged virtually in order to comply with COVID-19 precautionary measures.)

U.S. WIN participants can qualify for reductions in the employee portion of their medical insurance premiums, while their Canadian colleagues earn WIN credits that can be converted into "Wellness Dollars." These dollars may be applied against the purchase price of sports gear and other merchandise, or gym memberships.

Challenges Abound

Along with the myriad activities available through the Graymont WIN portal, employees can participate in other popular challenges designed to promote healthy lifestyles. For instance, the Maintain Don't Gain Challenge encourages employees to eat healthy and exercise over the holidays, when people are tempted to over-indulge. Employees seeking to shed pounds or simply maintain their weight can access helpful resources that encourage healthy eating, physical activity and self-awareness throughout the holiday season.

The May Step Challenge, staged as the title suggests during the month of May, encourages employees to step up their physical activity by adopting formal work-out programs and training techniques. Participants can track their activity manually, or with a synchronized activity device.

Employee Assistance Program

Graymont's people-centered approach is evident as well in the Employee Assistance Program (EAP). EAP is a confidential short-term counselling service, established to assist employees and family members encountering personal problems that impact their work performance. Those seeking assistance can receive support either in person, over the telephone or on-line, through a variety of qualified, issue-based health and wellness resources.

Environmental Care

We are committed to operating in a sustainable manner and proud of the fact that Graymont’s essential products are part of the solution in terms of addressing many of today’s environmental challenges.

SYSTEMS-BASED APPROACH

Graymont aims to consistently meet or exceed its regulatory and permit obligations, while working proactively to minimize the environmental impacts of its operations. To fulfill our commitment, we integrate environmental accountability into our strategic planning and take a systems-based approach to our practices with respect to environmental impacts.

To help us fully comprehend our environmental performance and identify opportunities for further improvement, Graymont relies on a dual-component system. First, we utilize our environmental compliance tracking system to record all compliance-related activities, site by site. A comprehensive audit program, which includes both internal and external elements, serves as a second line of control with respect to compliance. During 2020, five Graymont facilities in North America and New Zealand were audited by third parties either virtually or onsite, as part of a three-year, environmental-compliance auditing plan.

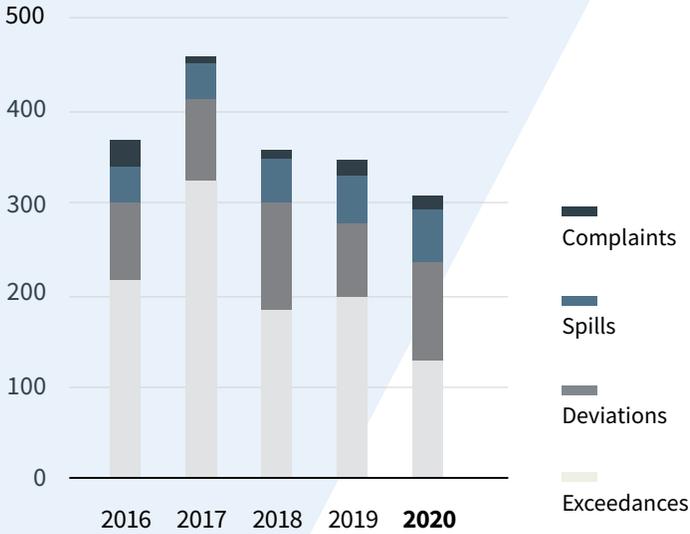
Graymont has also developed and adopted comprehensive environmental standards addressing seven key areas: Air Management; Fugitive Dust; Water; Residual Materials; Energy; Planning and Reclamation; and Aesthetics. These standards have been implemented at all Graymont sites in North America and New Zealand. Going forward, they will be introduced to recently acquired facilities in Asia Pacific, as part of broader environmental-improvement plans tailored to the unique circumstances of each site.

ENVIRONMENTAL PERFORMANCE - 2020 PROGRESS

Air emissions from Graymont’s lime kilns are carefully tracked, either by real-time emissions-monitoring devices or through periodic testing, to ensure that limits are respected. Historically, the recorded incidents of non-compliance have mostly involved exceedances of short duration detected by the emissions-monitoring equipment. Nevertheless, we remain stringent in terms of ensuring that the causal issues are addressed, and corrective actions taken to prevent recurrences.

Total environmental incidents in 2020 decreased by 12% compared to 2019, marking the fourth successive year of improved overall performance. Those latest results reflected a substantial 33% reduction in emissions “exceedances” — defined as events where emissions exceed an environmental permit limit or internal standard for a prescribed duration of time, which can be as little as six minutes. We also achieved a 14% year-over-year decrease in spills. However, those improvements were partially offset by a 39% increase in the number of “deviations” – defined as a failure to meet a requirement other than an emissions limit. Given that only a handful of facilities accounted for more than 80% of those deviations, we will be able to focus intensely on the sites in question to help them come up with effective long-term strategies aimed at curbing such occurrences in the future.

NUMBER OF GRAYMONT ENVIRONMENTAL INCIDENTS



ENERGY AND AIR

The calcination of limestone to produce quicklime is an energy-intensive process. Improved energy efficiency translates into reduced levels of air pollutants and GHG emissions as well as lower costs. The approach we have taken to process control is integrated and multidisciplinary, encompassing Graymont's Technical Services, Health, Safety and Environment, Quality and, of course, Operations. Our multi-disciplinary teams look at ways to ensure our processes are as efficient as possible, in order to meet the quality requirements of our customers while respecting relevant environmental and emissions standards.

Graymont's total energy consumption decreased by 3.8% in 2020. That decrease primarily reflected reduced production compared to 2019, stemming from the impact of the COVID-19 pandemic and the resultant slow-down in many economies. The Company's overall "energy intensity," that is the amount of energy used to produce one tonne of lime, decreased by 0.2%.

As well, we continued working hard to reduce the volume and intensity of both NO_x (oxides of nitrogen) and SO_x (oxides of sulphur) emissions, which are by-products of combustion. Here again, the effects of the pandemic-induced economic slow-down was felt and, combined with initiatives to optimize fuel mixes, the utilization of monitoring equipment as well as specialized training and process-control initiatives, we were able to reduce NO_x and SO_x emissions by 12% and 6% respectively.

2020 EMISSIONS IN NUMBERS

4.1

MILLION TONNES OF LIME PRODUCED (QUICKLIME EQUIVALENT)

- ▶ a 3.6% decrease compared to 2019
- ▶ 28.3% above 2004* levels

25.1

PETAJOULES OF ENERGY CONSUMED

- ▶ a 0.2% decrease compared to 2019 intensity
- ▶ 15.3% above 2004* levels

5.2

MILLION TONNES OF CO₂eq OF SCOPE 1 GHG EMISSIONS

- ▶ 21.7% below 2004* levels of fuel-related emission intensity (equates to 537,000 tonnes of avoided GHG emissions)

164.7

THOUSAND TONNES OF CO₂eq SCOPE 2 GHG EMISSIONS

0.9

THOUSAND TONNES OF SO_x EMISSIONS

- ▶ 86% under 2004* levels

5.0

THOUSAND TONNES OF NO_x EMISSIONS

- ▶ 22% under 2004* levels

MONITORING AND CONTROL

The mining and processing of minerals, including lime, can generate dust and other air pollutants which, left uncontrolled, risk becoming a nuisance and can also have a negative impact on the environment. Consequently, Graymont operates in accordance with stringent company-wide environmental standards and practices aimed at reducing air pollutants and emissions.

Monitoring those efforts normally entails having Graymont environmental staff working on-site, shoulder-to-shoulder with independent outside consultants, to facilitate compliance testing at the various facilities. However, that collaborative approach proved to be impractical in 2020, due to COVID-19 precautions that limited access to sites, particularly for Company employees. Nevertheless, we managed to arrange sufficient access for the consultants to successfully complete 36 on-site stack tests, an achievement all of the teams involved can be proud of.

CLIMATE CHANGE

Climate change is more than ever at the forefront of today's environmental issues. As a large emitter of greenhouse gases (GHGs), Graymont recognizes its responsibility to address and reduce its emissions, although the path forward in that respect is fraught with challenges. For starters, the transformation of limestone (CaCO_3) into quicklime (CaO) inherently produces CO_2 , which comes directly from the stone, that is referred to as process emissions. Furthermore, the calcining process, which takes place in kilns at temperatures in the range of 900 to 1050°C, is very energy-intensive and thus produces significant GHG emissions. Although hard to quantify precisely, in many applications, CO_2 is partially reabsorbed through recarbonation of the lime, therefore reducing total GHG emissions from lime's life-cycle.

Breakthrough kiln technologies, e.g. carbon-capture-and-storage, are on the horizon. However, it will be quite some time before we can avail ourselves of economically viable, commercial-scale solutions that will enable us to markedly reduce combustions and process emissions. In the meantime, we are proactively seeking out opportunities for more-readily-achievable initiatives aimed at curbing emissions, such as best-in-class parallel flow regenerative shaft kilns for future capital projects, enhanced process-control systems and the increased use of biomass and other low-carbon fuels. It must be said in that regard,

however, that easily attainable “low-hanging fruits” are limited in number, which means that achieving emissions reductions of any magnitude will require a sustained, long-term effort — an effort Graymont is prepared to make.

During 2020, Graymont in fact forged ahead with multi-level discussions on potential pathways to a decarbonized world. These strategic discussions engaged all our internal stakeholders, from entry-level employees, to management, to Board members, urging to rise to the challenge. They also encompass a wide array of know-how and disciplines, from process engineering, technology and regulatory compliance to carbon pricing, market development and human resources. Through this sweeping new initiative, Graymont is striving to progressively switch more facilities to low-carbon fuels such as natural gas and biomass, and look into innovative “net-zero” technology, all the while supporting and encouraging our customers to continue exploring new lime-based solutions for today's crucial environmental issues.

While those initiatives are playing out, Graymont has added two key metrics to its toolbox, both designed to better inform decision-making. The Company's rolling five-year production forecast exercise will now include a CO_2 forecast. This new tool will focus on the projected CO_2 emissions associated with business decisions for the coming five years.



Additionally, we are including in this report for the first time our “scope 2” GHG emissions. We have historically focused only on direct emissions from our production facilities, where the lime production process generates the so-called “scope 1” emissions. But our facilities also consume a substantial amount of electricity which, depending on the location, can also generate significant GHG emissions. Our “scope 2” metric reflects those emissions stemming indirectly from Graymont’s electricity consumption. In 2020, Graymont facilities emitted some 164,700 tonnes of “scope 2” emissions in CO₂ equivalent.

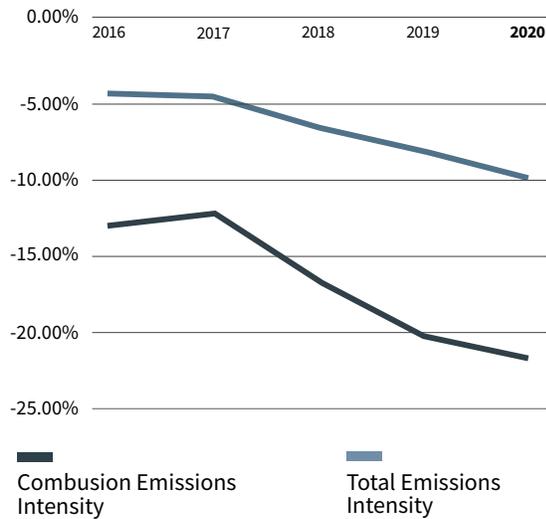
The volume of scope 1 GHG emissions emitted directly from our production facilities being larger than scope 2 emissions, we will continue to focus our reduction effort primarily on scope 1 while keeping an eye out for opportunities to reduce scope 2 emissions as well. Scope 1 emissions will therefore remain our primary focus. In 2020, we reduced total scope 1 GHG emissions by 5%, reflecting in large part a reduction in production.

Graymont’s overall emissions intensity, that is the volume of GHG emissions per tonne of lime produced (including both process and combustion emissions), continued to decline, registering a 2% decrease from 2019 levels. This latest reduction made 2020 the fourth year in a row that the Company achieved reductions in its emissions intensity. Following the same trend, our combustion-only emissions intensity continued its gradual decline to an all-time low, reaching close to 22% below our baseline

level of 2004. We will be transitioning to tracking total emissions intensity only in future reports, to better account for all emission sources.

On top of its proactive initiatives, Graymont takes an integrated approach to monitoring requirements with respect to GHG emissions, in order to ensure that the Company remains fully cognizant of any real or potential issues, and has ample time to make any changes that might be necessary to ensure operational efficiency and full compliance with regulatory requirements and norms. We do our utmost to meet all requirements in the respective jurisdictions where we operate, and work proactively to further reduce our GHG emissions intensity.

% CHANGE COMPARED TO 2004 EMISSIONS INTENSITY



Partnering to Improve Our World

Graymont constantly strives to leverage the unique properties of lime products to help resolve and mitigate the many environmental issues our modern world faces. This goal could not be achieved without strong partnerships with other companies equally committed to addressing environmental concerns in their particular spheres of activity. We continue collaborating with a number of partners to further advance environmental uses of lime, in applications such as the scrubbers used to curb emissions like SO_x from coal-fired generating plants.

2020 SO_x SCORECARD



GRAYMONT'S SO_x EMISSIONS:

930

TONNES

SO_x EMISSIONS AVERTED IN OTHER INDUSTRIES BY THE USE OF GRAYMONT PRODUCTS:

749,000

TONNES

WASTE REDUCTION

At the heart of Graymont’s approach to waste reduction is the Company’s determination to create added value and reduce its environmental footprint by fully utilizing all of the materials and resources touched by its operations — be it limestone, natural stone, overburden, fuel or other materials. The ultimate goal is to reach the point where our processes essentially generate zero waste, by ensuring that no waste is sent to landfills or incinerators and that all products are reused or recycled to make new products.

Over the past few years, Graymont successfully pushed forward with an organization-wide initiative aimed at reducing stockpiles of by-products traditionally associated with lime operations. Sales of these by-products tend to vary year by year, influenced by market conditions and product availability. Sales picked up in 2020, with 421,000 tonnes sold company-wide. That represented an increase of 22% compared to 2019. We remain firmly committed to finding new applications and opportunities for waste reduction, in line with our zero-waste goal.

2020 PARTIALLY CALCINED BY-PRODUCT SALES

▲
▲
▲
▲
▲
▲
▲
421
▲ THOUSAND TONNES
▲ of calcined by-products sold

INDIAN CREEK RECLAMATION

An ambitious reclamation project mounted by the team at Graymont’s Indian Creek facility in the state of Montana was the recipient of a national environmental award from the U.S. Department of the Interior’s Bureau of Land Management. The Hardrock Environmental Award recognizes the outstanding nature of the work done at Indian Creek, which goes above and beyond legal requirements and everyday environmental stewardship. Rather, the aim of the project was to bring the landscape back to a native form, thereby facilitating the return of the wildlife that frequented this habitat before industry arrived. Demonstrating its penchant for innovation, the plant is using limestone “fines” from its operations as a growth media for mountain mahogany, a native species that is a primary food source for the mountain mule deer, elk and big-horn sheep which are already beginning to return to the area, much to the delight of everyone involved.

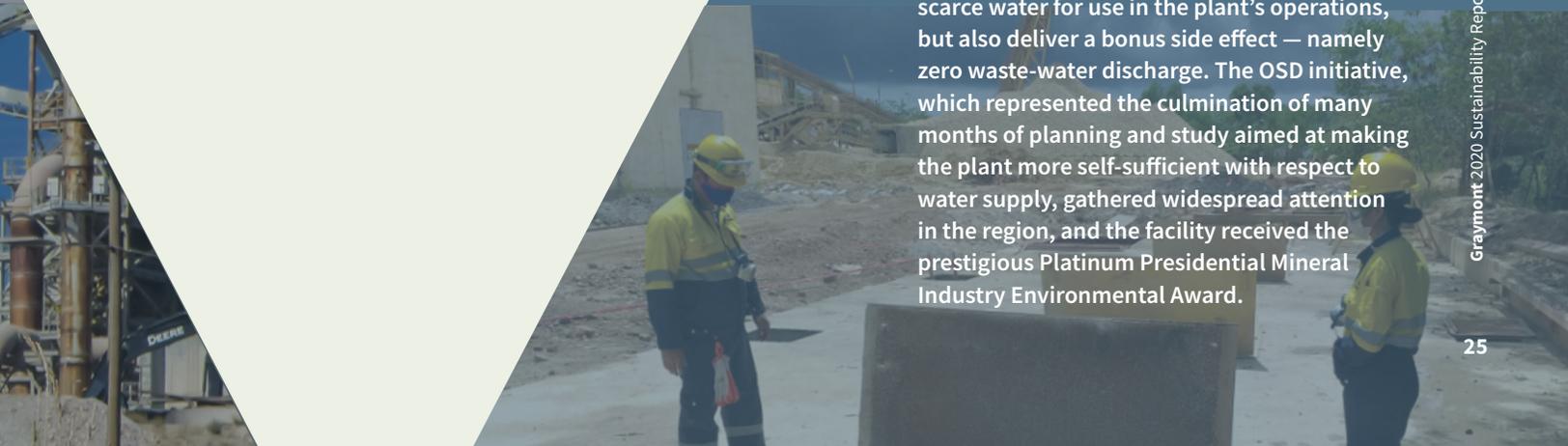


MANGROVE REFORESTATION IN THE PHILIPPINES

The 2020 environmental agenda at Graymont Philippines also saw the Company collaborating with the Community Environment and Natural Resources Office (CENRO) of Brooke's Point, which is situated in the south-eastern section of Palawan Island, a province of the Philippines. The goal there was to rehabilitate 30 hectares of mangrove forest, through an initiative that entailed planting several potted species, including Tangal, Bakawan Lalaki and Api-Api. The Graymont Rio Tuba crew pitched in to help with the planting, maintenance, monitoring and patrolling of the grove. In addition to reforesting the area, this initiative succeeded in bringing back protected native species such as the “flying fox” bats to the region.

BEDFORD'S SUPPORT FOR SUSTAINABLE AGRICULTURE

In 2020, Graymont's Bedford plant entered into an agreement with *Le collectif de Bolton-Ouest*, a not-for-profit organization that aims to foster the revitalization and utilization of the region's agricultural and forest resources in a sustainable, responsible manner. The collective's areas of focus include enhancing soil fertility; improving forestry techniques in order to conserve biodiversity; and advancing agricultural related research-and-development. Graymont is committed to helping support the NGO's efforts over the next five years through donations of limestone products for use in soil conditioning and other agriculture applications. This partnership is an excellent illustration not only of the value of lime and limestone in addressing environmental and agricultural issues, but also of how our Company strives to contribute in a meaningful way to the well-being of the communities we call home.



HARVESTING WATER AT RIO TUBA

In the Philippines, the team at Graymont's Rio Tuba lime plant conceived and constructed an ingenious rainwater and wastewater harvesting-and-storage facility. The so-called On-Site Detention (OSD) tanks not only provide a valuable additional source of sometimes-scarce water for use in the plant's operations, but also deliver a bonus side effect — namely zero waste-water discharge. The OSD initiative, which represented the culmination of many months of planning and study aimed at making the plant more self-sufficient with respect to water supply, gathered widespread attention in the region, and the facility received the prestigious Platinum Presidential Mineral Industry Environmental Award.

Community Relations



Building a sustainable future for Graymont involves engaging in a meaningful way with key stakeholders such as governments, non-governmental organizations (NGOs) and communities — including First Nations, Aboriginal and Indigenous peoples — demonstrating that the Company is committed to operating in a responsible manner that creates real value and lasting benefits for all parties.

OPEN, HONEST AND PRINCIPLED

Graymont believes that the foundation of being a good neighbour is open and honest communication. We endeavour to be proactive in communicating our plans and seeking community input so that concerns and potential issues can be identified and addressed early on. To that end, Graymont locations make a concerted effort to maintain open lines of communication with citizens, local governments and other local businesses. The Company also has an internal process to track complaints and ensure that community concerns are taken into account. Everywhere we operate, we try to give back to the communities — large and small — that we call home. In all instances, we strive to operate in accordance with our values and our Stakeholder Relations Guiding Principles.

STAKEHOLDER RELATIONS GUIDING PRINCIPLES

- ▶ Stakeholders will be provided with timely and accurate information about Graymont’s activities and plans for the future that may impact them.
- ▶ Stakeholders will be given ample opportunity to participate in a stakeholder-engagement process, express their views and voice any concerns they might have if and when issues arise.
- ▶ Graymont will strive to respect the culture and values of each stakeholder.

Reaching Out to Communities

Typical of Graymont’s proactive approach to stakeholder relations is how we reached out to the communities bordering the Charbon lime plant and Excelsior Quarry in New South Wales, Australia, which are in the process of being restarted after sitting idle for some five years. The resumption of operations at the two sites will create 17 full-time jobs.

As a newcomer to the region (having acquired the mothballed assets from the Belgium-based Sibelco group in late 2019), Graymont demonstrated its commitment to meaningfully engage with host communities by organizing “Meet & Greet” events at both facilities — conducted at appropriate social distances, of course. These sessions, which included tours of the sites, provided an opportunity for Graymont representatives to introduce our Company to local stakeholders and familiarize the citizenry with Graymont’s modus operandi. The aim was and is to facilitate on-going constructive dialogue that will benefit both parties going forward.



Building on Our Track Record

Whether our Company is a newcomer to a particular region or has a long-established presence, Graymont prides itself on having built a solid track record of community-engagement success stories, involving both company-wide programs and innovative local initiatives tailored to the wants and needs of a particular host community.

As our Company has continued to grow, so has the scope and scale of financial support and engagement extended to the communities where we operate. While the pandemic impacted our ability to gather and hold traditional public events during 2020, it also created opportunities to provide support and help for people and communities in need. As well as contributing to many local initiatives, Graymont provided significant financial backing to support newly established community-development funds in places where the Company has major projects under way. Michigan's Upper Peninsula and Quebec's Eastern Townships, home, respectively to the "Rexton" and "Harmony" projects, are among recent beneficiaries of such funds. Allocations to community investments, including the community-development funds, totaled more than CAD 934,000 in 2020.

Remaining True to Our Principles

Of course, engaging constructively with stakeholders is relatively straightforward when the subject at hand is a big investment or proposed expansion project that will create new jobs and opportunities. Such dialogue can

prove to be more difficult when it concerns a less palatable situation — say a plant that is no longer viable and must be shut down to help preserve the long-term sustainability of the Company's overall operations.

Such was the case with our plant in Pavilion, British Columbia, Canada. During 2020, Graymont continued to engage in a collaborative process with the Ts'kw'aylaxw First Nation (TFN) and the B.C. Ministry of Energy, Mines and Petroleum, focused on revising the reclamation and closure plans for the site. On the agenda, as well, were discussions regarding the site's longer-term future. The active engagements were limited due to COVID-19 impacts, and by TFN elections for Chief and Council. Nevertheless, Graymont was able to complete the second phase of a three-year plan to clean a limited area of the site where the soil is known to have contained contamination. These operations included additional soil and groundwater sampling and monitoring (pictures 1 and 2). The Pavilion lime operations, which were indefinitely idled in 2016 due to a combination of poor market conditions, an uncompetitive cost structure and limited stone resources, were permanently closed in late 2017. The Company continues to meet its legal obligations under its Mines Act and Environmental Act permits; it also continues to operate the limestone operations.

Situations like this underscore the importance of remaining true to Graymont's commitment to be open, honest and principled, whatever the circumstances.



MAKING A DIFFERENCE

The positive outcomes and progress made during 2020 on a wide variety of initiatives reinforced Graymont's belief that effective stakeholder engagement makes for sound strategic planning and decision-making, which benefits all stakeholders.

It is important to note, as well, that our commitment to engagement is by no means limited to top-down corporate initiatives such as the community funds mentioned earlier in this section of the report. Quite the contrary: virtually every Graymont plant and office location — and their employees — provides additional support in the form of “donations in kind” of goods and services, not to mention that many employees and family members generously volunteer their time, evenings and weekends, to lend a hand with worthwhile community causes.

Again this year, we wish to showcase some representative examples of the remarkable array of projects conceived and carried out by local teams of Graymont employees, determined to make a difference by giving back to their communities, encouraged and supported by the Company.

We wish to showcase some representative examples of the remarkable array of projects conceived

Combatting COVID-19

Marbleton, Quebec, donated 175 Tyvek® protective suits and 2,000 pairs of gloves to a local long-term-care home, for use by frontline workers who care for the facility's vulnerable residents (picture 1).

In the midst of the global COVID-19 pandemic, Steep Rock, Manitoba became a “hot spot” for the entire province. Concerned about a sudden influx of people and vehicles, municipal authorities reached out and asked for help to manage traffic at the town's dock. Graymont's Faulkner, Manitoba team stepped up and donated 20 boulders that were put in place to help manage traffic and keep coronavirus clusters at bay.

On an entirely different note, residents of Saint-Marc-des-Carières, Quebec, were able to enjoy free outdoor cinema despite the pandemic, thanks to a public-private sponsorship agreement with the town's parks and recreation department. The local Graymont plant and other area businesses contributed to the installation and operation of an outdoor cinema on the soccer field at the local secondary school. Graymont welcomed this novel opportunity to help build community spirit while encouraging residents to continue respecting physical distancing. The first screening (in June) was a drive-in concert experience appropriately entitled “Reborn,” a tribute to 1960s and 1970s rock band Creedence Clearwater Revival (CCR). Two other films were shown in July and August (picture 2).



CONGRATULATION!

Rio Tuba received the Safest Mineral Processing - Calcining Plant Category Award and the 2020 Platinum Achievement Award - Mineral Processing Category.





The Pleasant Gap, Pennsylvania facility donated 12 powered air-purifying respirators (PAPR) to a local hospital, along with a box full of accessories that included filter cartridges and battery packs, as well as a quantity of N95 masks. In addition, the Graymont crew provided 60 lunches, prepared by a local Italian restaurant Bonfatto's, to health care workers. The initiatives were designed both to support frontline workers and, at the same time, provide welcome, much-needed business to a local restaurant (picture 3).

Half a world away, the Enhanced Community Quarantine, established in the Philippines to limit and control the spread of COVID-19, created significant hardships for many people who were unable to travel and, therefore, forced to stay home from work without pay. To help address this urgent situation, Graymont's Philippines operations coordinated with officials in a number of *barangays* (local villages, districts or neighbourhoods) that were

significantly affected — Rio Tuba, Ocayan, Taratak, Iwahig and Sandoval — donating goods and providing financial aid. Donations from the Graymont teams ranged from rice to personal protective equipment (PPE), including “hazmat” suits, for hospital staff, and even folding beds. In total, Graymont's interventions assisted more than 2,700 people in the Philippines (picture 4).

In Malaysia, the Tinjau Makmur quarry, situated at Sungai Lembing, donated a temperature scanner and stand to the Sagu 4 Plantation Mosque, which is located about four kilometres from the Graymont site (picture 5).

Graymont's interventions assisted more than 2,700 people in the Philippines

Mitigating the Impact of Natural Disasters

The Riverton quarry in Queensland (QLD), Australia donated a portable truck-mounted firefighting unit valued at some AUD 5,000 to the Riverton Fire Brigade in January 2020. The Riverton brigade was selected as the main beneficiary of Graymont's largess primarily because, given that it is based in Queensland, it will not benefit from the AUD 50M raised by charity after the bushfires to aid rural fire stations (RFS) in New South Wales. Graymont's Riverton team also provided the Mingoola RFS with a new "rattle-gun" for its fire truck.

The former Calliope RFS, also in Queensland, completed a major expansion and upgrade that transformed it into a regional command centre and state-of-the-art training facility, complete with a new fire station on lower level. Approximately 200 tonnes of material donated by Graymont's Calliope site was utilized in the expansion project.

Graymont's Buchan facility, in Victoria, Australia, was very actively involved in rebuilding efforts following the intense 2020 bushfire season. "Scalping" material from the quarry was sold to local residents at a reduced price for use in rebuilding homes destroyed by fire. Separately (in partnership with Komatsu), operator time was donated to make available an excavator to remove fence lines lost to the fires. As well, several shipping containers were donated for use by bush communities for storing and protecting goods. The Buchan facility's palletized goods carrier, Branstrans, pitched in by picking up and delivering the shipping containers at no charge. It should be noted as well that the team at Graymont's Excelsior quarry in New South Wales supplied water for firefighting directly from the quarry to nearby blazes (picture 1).

At the opposite end of the globe, a community near Graymont's Exshaw plant, in Alberta, Canada, faced serious floods that impacted large numbers of homes. The Graymont team responded big time with donations and loans of pumps and large-diameter hoses, not to mention food deliveries and PPE kits to help ward off COVID-19. Working in collaboration with residents and municipal authorities, Graymont employees also pitched in by conducting daily site visits and surveillance of flooded neighbourhoods, while actively participating in community recovery/rebuilding strategy sessions (picture 3).

Health

To help improve health conditions in communities near Graymont's Rio Tuba site in the Philippines the Company's health programs include the provision of medicines and medical assistance, including training for local barangay health workers (picture 5).

Graymont Southern Australia co-sponsored a car in the 2020 "Riverina Redneck Rally," an annual five-day automotive adventure that raises money for Country Hope, a family-centred support organisation for children diagnosed with cancer and other life-threatening illnesses. Event organizers say rally participants need to be ready for fun and adventure, and "be keen on dirt, dust and camping." Graymont's co-sponsor for the rally entry was AGnVET Services – one of the Company's largest agriculture customers in rural New South Wales. The 2020 edition of the rally succeeded in raising AUD 467,000 – far exceeding the goal of \$275,000 (picture 6).





Other Initiatives

Green Bay, Wisconsin was very active in support of a new community shelter that addresses food security. Graymont donated significant quantities of food to the shelter, along with a pallet jack used to offload goods from trucks, and employees volunteered to serve dinner at the facility. The local Graymont team also participated in the New Community Shelter-Bowl-a-Thon, raising USD 2,500 for the cause.

Graymont's Malaysia-Kampar site contributed to improvements carried out at the Sungai Siput Selatan Police Station, as part of the Company's community-outreach initiatives. Contributions included 10 units of Nikkon 250w metal (spotlight), 10 units of Duralux Superbright 20w and two rolls of electric cable (picture 4).

The Makareao lime plant, on the North Island of New Zealand, helps fund various organizations in the community, including golf clubs, rugby clubs, dog-trial clubs and children's educational initiatives, providing "gifts in kind" of Graymont product that can be auctioned off to raise cash. The plant also sponsors community sports teams, namely cricket and football (soccer) squads (picture 2).



MAJOR PROJECTS UPDATE

Graymont understands that today's stakeholders are increasingly conscious of the need for businesses to behave responsibly and conduct their affairs in a collaborative, sustainable manner. Hence our commitment to embedding sustainability into all aspects of our operations, be it the development of new plants, the updating and/or expansion of existing facilities or, for that matter, the orderly shutdown and remediation of sites deemed to be no longer viable. That commitment was a common denominator in a number of on-going major projects during 2020.

Bedford Heritage Project

In Quebec's Eastern Townships (*Cantons de l'Est*) region, the Bedford Heritage Project, officially launched in mid-2018, continued to progress. This is a game-changing initiative that promises to unlock significant value for Graymont and its key stakeholders, enabling the Company to properly dispose of a large accumulation of unusable stone overburden while gaining access to reserves of ore sufficient to extend the viable operating life of the Bedford operations for another 40 years. It essentially involves stacking the unusable overburden on site in accordance with a carefully designed and engineered master plan, then covering it with earth and vegetation to create a new regional park and green space.

During 2020, we continued constructing the first of three "summits" that will dominate the topography of the new park and, in the case of this first hill, will feature walking trails and an amphitheatre. As the work proceeds, we have successfully employed world-class techniques to prevent nuisances and unwanted environmental impacts — noise, for example — which could be generated by such a large-scale construction project. Although the pace of work did slow somewhat amidst the COVID-19 pandemic, the project remains on track to be completed as scheduled, with the public slated to be granted access to the new green space in 2023.

We are committed to embedding sustainability into all aspects of our operations.

Giscome Project

The Giscome Project, which involves the proposed development of a new limestone quarry and lime production complex at a site in central British Columbia, essentially remained on hold during 2020. Meanwhile, however, interaction and communications with community members and other stakeholders has continued, and Graymont retains all the necessary environmental and mine permits as well as approval for the rezoning of the proposed plant site.

Marbleton Harmony Project

The Harmony Project is another reflection of Graymont's commitment to ensure the continued sustainability of its operations in Quebec's Eastern Townships. It was conceived with the aim of securing long-term operations at the company's Marbleton facility — a significant source of employment for the small community. Here, too, the project primarily involves re-organizing management of the plant's overburden, which will require implementing a number of land-reclamation initiatives designed to better integrate activities at the site and thereby improve the quality of life in the area.

All the requisite permits were obtained to continue the stockpiling adjacent to the quarry 5 site, in line with a carefully crafted plan encompassing the long-term vision of the project. In the fall, construction got under way on access, noise-control and water-management measures. As well, the Graymont-endowed "Harmony Fund" was made available to the municipality, enabling it to move forward with key projects for the community.



Oparure Expansion Project

The aim of a proposed expansion of Graymont’s Oparure quarry on New Zealand’s North Island is to identify accessible limestone deposits sufficient to extend the life of the quarry by 50 to 100 years, and to obtain the permits that would be required to quarry such deposits. Oparure supplies the Company’s nearby Otorohanga and Te Kuiti plants with stone, while directly serving the pulverized limestone, agricultural limestone and aggregate markets.

Following the successful acquisition of an adjacent farm property — which not only boasts substantial deposits of high-quality limestone but also is strategically situated close to the existing quarry infrastructure — the focus during 2020 was primarily on detailed environmental assessments that need to be carried out in advance of permit applications to establish a new quarry pit. The preparatory work was delayed due to COVID-19, however further groundwater and cave exploration studies were initiated in late 2020. Permit applications are now expected to be completed before the middle of 2021. At the same time, a parallel project to re-permit the existing pit got under way, and the applications were submitted in December 2020.

Rexton Project

Project-design, infrastructure-evaluation, resource-exploration, and permitting initiatives to facilitate development of a new lime processing plant in Michigan’s Upper Peninsula, known as the Rexton Project, carried on in 2020. Meanwhile, Graymont continued operation of both the Eastern Quarry and the Borgstrom Road Quarry. Improvements to Route US2 road infrastructure near the Brevort Dock were completed in collaboration with the Michigan Department of Transportation.

In keeping with its commitment to provide additional direct economic benefits to the area, Graymont continues to finance a Community Development Fund that is administered by Lake Superior State University. Disbursements in 2020 provided financial assistance for a broad range of worthwhile community projects, including a pediatric cancer program; improvements to a veterans’ facility; marina safety; enhanced emergency services; watershed planning, renovations to the Township Hall, expansion of a rural health clinic; upgrading of sidewalks; and the purchase of mobile radios for local law enforcement.

Sustainability Performance Data

Following are three tables presenting Graymont's Key Performance Indicators (KPIs) related to social, environmental and economic performance. Current and historical data is provided for the years 2016 through 2020 and includes references to the year 2004, which has been established as the baseline.



Social Performance Data

KPI		2020	2019	2018	2017	2016	NOTES
Number of full-time permanent employees	Australia	245	270	-	-	-	As of December 31 of each year
	Canada	490	515	525	536	555	
	New Zealand	72	69	70	72	82	
	South-East Asia	154	206	-	-	-	
	United States	615	643	648	651	758	
	Total	1576	1703	1243	1259	1395	
Voluntary turnover rate	Total	8.10%	7.40%	6.90%	8.30%	8.39%	Includes employees who retired
Composition of Graymont Limited Board of Directors and Officers	Directors	10M 2F	9M 1F	8M 2F	8M 2F	8M 2F	M - male, F - female
Officers	10M 2F	11M 2F	10M 3F	10M 3F	11M 3F		
Reportable Incident Rate	Total	1.73	1.90	2.57	2.06	1.86	Number of incidents that result in medical treatment, lost work days or restricted work days per 200,000 exposure hours
Lost-time Incident Rate	Total	0.92	0.84	1.08	0.71	0.86	Number of incidents that result in lost work days per 200,000 exposure hours
Severity Rate	Total	18.4	28.81	22.84	24.69	14.42	
Fatalities	Total	0	0	0	0	0	
Monetary fines for safety non-compliance	Total	\$73.0	\$78.8	\$100.4	\$67.5	\$66.8	Thousand CAD
Number of days lost to strikes	Total	0	0	42	0	0	
Employees covered by retirement program and benefits plan	Total	100%	100%	100%	100%	100%	Graymont-sponsored or country-specific
Employees covered by assistance program	Total	100%	100%	100%	100%	100%	
Community investments	Australia	\$40	\$10	-	-	-	Thousand AUD
	Canada	\$448	\$785	\$528	\$303	\$616	Thousand CAD
	New Zealand	\$10	\$25	\$9	\$26	\$77	Thousand NZD
	South East Asia	\$131	\$48	-	-	-	Thousand CAD
	United States	\$230	\$278	\$276	\$179	\$185	Thousand USD
	Total	\$934	\$1,233	\$913	\$562	\$932	Thousand CAD

Environmental Performance Data

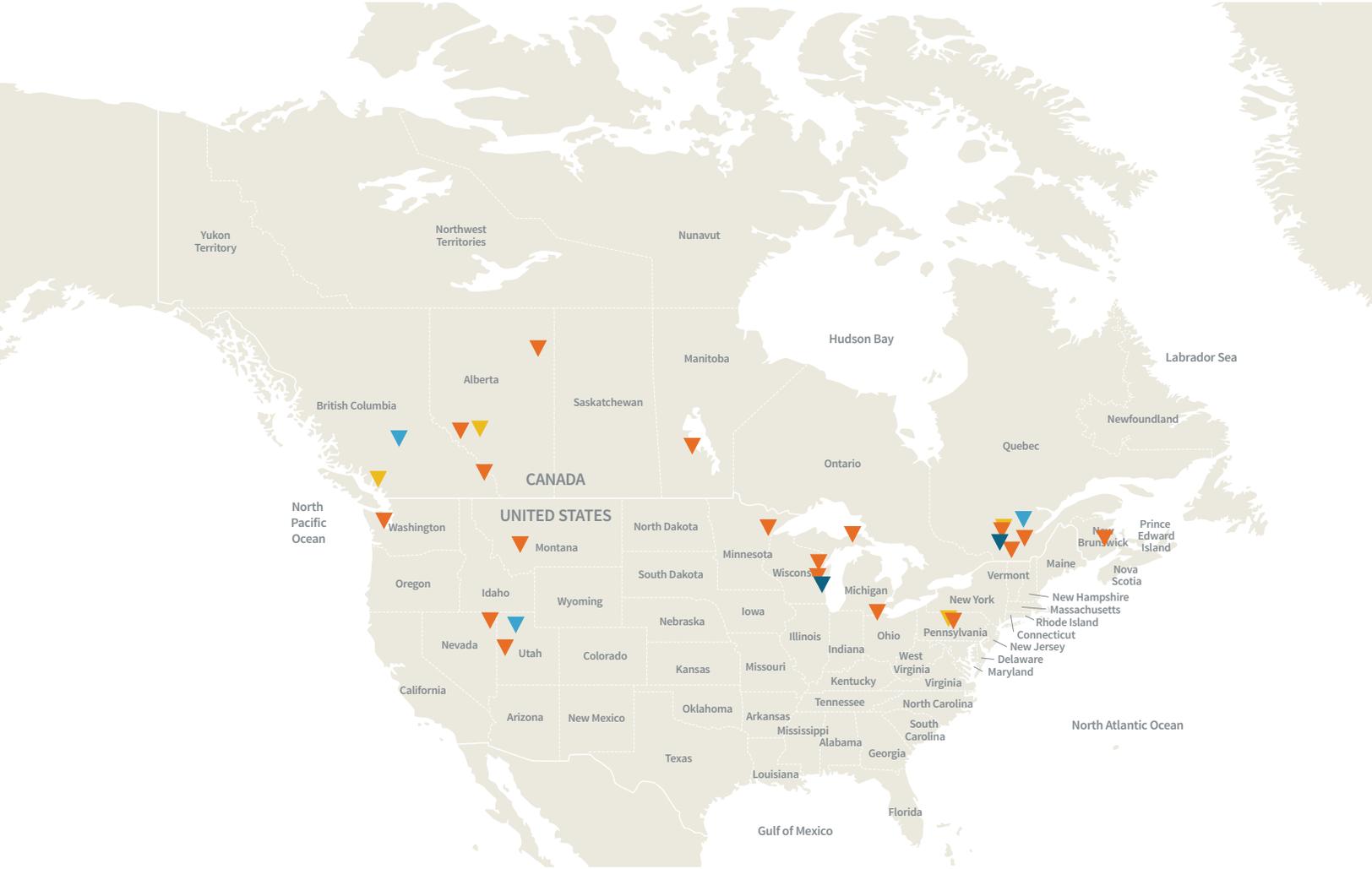
KPI		2020	2019	2018	2017	2016	NOTES
Energy use intensity	Total	6.16	6.17	6.28	6.50	6.54	
Direct greenhouse gas emissions	Australia	0.22	0.08	-	-	-	Million tonnes CO ₂ e Lime production only
	Canada	0.87	0.94	0.96	1.04	1.06	
	New Zealand	0.14	0.17	0.17	0.22	0.29	
	South East Asia	0.27	0.13	-	-	-	
	United States	3.68	4.15	3.99	4.11	3.93	
	Total	5.18	5.46	5.12	5.37	5.28	
Indirect greenhouse gas emissions	Total	0.16	-	-	-	-	Million tonnes CO ₂ e Lime production only
Production carbon intensity	Total	1.27	1.29	1.31	1.35	1.35	Tonnes CO ₂ e per tonne lime. Lime production only (2004 intensity = 1.31 in Canada and 1.43 in the U.S.)
NO _x emissions intensity	Total	1.23	1.25	1.16	1.34	1.49	Kilograms/tonne of lime produced Lime production only
SO _x emissions intensity	Total	0.23	0.25	0.42	0.56	0.54	Kilograms/tonne of lime produced Lime production only
Monetary fines for environmental non-compliance	Total	\$7	\$10	\$0.5	\$12.0	\$32.3	Thousand CAD
Emission exceedance events	Total	134	199	180	328	225	Number of exceedance events An exceedance event can involve an exceedance for a period as short as six minutes
Number of spills	Total	55	64	50	37	46	Number of spill events Include spills as small as 0.5 Liters
Deviations	Total	106	76	117	99	76	Deviation of a permit or regulation
Complaints	Total	14	14	14	9	30	Public complaints received by the facility or regulatory agency
Total cumulative land area disturbed	Total	2972	2838	2,244	2,244	2,327	Hectares Includes plant sites, quarries and pits
Land area reclaimed	Total	4	8	5	3	14	Hectares Includes plant sites, quarries and pits
Partially calcined by-products sold (LKD)	Total	421	340	400	313	289	Thousand tonnes

Economic Performance Data

KPI		2020	2019	2018	2017	2016	NOTES
Lime sales	Total	4.10	4.15	3.90	3.95	3.95	Million tonnes of quicklime equivalent
Employee remuneration (includes wages, salaries, and health and retirement benefits)	Total	\$213.9	\$194.8	\$171.2	\$177.0	\$190.5	Million CAD
Financial assistance received from governments	Total	\$1.587	\$1.115	\$2.083	\$1.640	\$2.259	Thousand CAD
Expenditures on research and development	Total	\$838	\$835	\$10.845	\$2.682	\$4.216	Thousand CAD



Graymont in North America



LEGEND

- ▼ Regional Offices
- ▼ Other Offices
- ▼ Lime
- ▼ Limestone operations

Graymont’s North American operations (19 plants) are focused on the production of high-calcium and dolomitic lime, pulverized limestone and value-added lime-based products such as hydrated lime. In Canada, the Company operates in the provinces of British Columbia, Alberta, Manitoba, Quebec and New Brunswick. In the United States, Graymont is present in Washington, Oregon, Montana, Nevada, Utah, Wisconsin, Michigan, Ohio, and Pennsylvania. The Company also operates rail-to-truck trans-load terminals that extend the geographic market reach of several plants.

The corporate office is located in Richmond, British Columbia. North American Lime operations are supported by regional offices in Boucherville, Quebec, West Bend, Wisconsin and Salt Lake City, Utah, and by the Graymont Engineering office in Joliette, Quebec.

Graymont in Asia Pacific



LEGEND

- ▼ Regional Offices
- ▼ Other Offices
- ▼ Lime
- ▼ Limestone operations

Graymont’s Asia Pacific operations (14 plants) supply quality lime and limestone products primarily to the agricultural, animal-health and industrial markets in the region. In New Zealand, Graymont operates on both the North and South Islands. In Australia, Graymont’s facilities are located in the states of Queensland, New South Wales, Victoria and Tasmania. In South-East Asia, Graymont has facilities in the Philippines and Malaysia.

The Asia Pacific operations are supported by three regional offices situated in Kuala Lumpur, Malaysia; North Sydney, Australia; and Hamilton, New Zealand; as well as offices in Manila, Philippines, and Braeside and Adelaide in Australia.

Glossary and Abbreviations

AUD – Australian dollar

CAD – Canadian dollar

CEO – Chief Executive Officer

CO₂e – carbon dioxide equivalent

Emission exceedance event – an event where emissions exceed an environmental permit limit or internal standard for a prescribed duration of time. Prescribed durations of time can be as short as six minutes.

Good Catch – a situation including a potential hazard which has been identified for resolution prior to causing injury to worker

Greenhouse gas emissions (GHG) – in Graymont’s case these include carbon dioxide, methane and nitrous oxides.

Graymont Severity Rate (GSR) – a metric based on the sum of lost workdays times two, plus the number of restricted workdays over a given period of time. The total is then divided by the number of Graymont Reportable Incidents.

Graymont Reportable Incident (GRI) – an incident that results in an injured worker requiring medical treatment beyond first aid; an injured worker being unable to report for their next work shift; or an injured worker being restricted in their work duties

Graymont Reportable Incident Rate (GRIR) – number of GRIs per 200,000 exposure hours

Health, Safety and Environmental (HSE) – describes activities and processes used to enhance the health, safety and environmental performance of the Company

H&S – health and safety

KPI – key performance indicator

Lost Time Incident (LTI) – an incident that results in an injured worker being unable to report for their next work

shift

Lost Time Incident Rate (LTIR) – number of LTIs per 200,000 exposure hours

MSHA – the United States Mine Health and Safety Administration

Near Miss – an incident that resulted in no harm to a worker

NOx – oxides of nitrogen, which are a by-product of combustion

NPRI – National Pollutant Release Inventory – Canada

NZD – New Zealand dollar

Petajoules – 10¹⁵ joules

SO_x – oxides of sulphur, which are a by-product of combustion

Tonne – metric ton or 1,000 kilograms

TRI – Toxic Release Inventory – United States

USD – United States dollar

FORWARD-LOOKING STATEMENTS

Prospective Information

This report contains some information that is prospective in nature and which may be affected by known or unknown risks and uncertainties.

There can be no assurance that any of this information, in particular statements regarding forecasts and projections, will prove to be accurate.

Actual results and future events could be materially different from those reflected in this report.

CONTACT US

At Graymont, we regard our commitment to achieving all-around world-class performance as a journey — not a destination. As we strive for continuous improvement in crucial areas such as environmental stewardship, workplace health and safety and stakeholder relations, we welcome your comments and feedback.

Communications should be directed to:

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