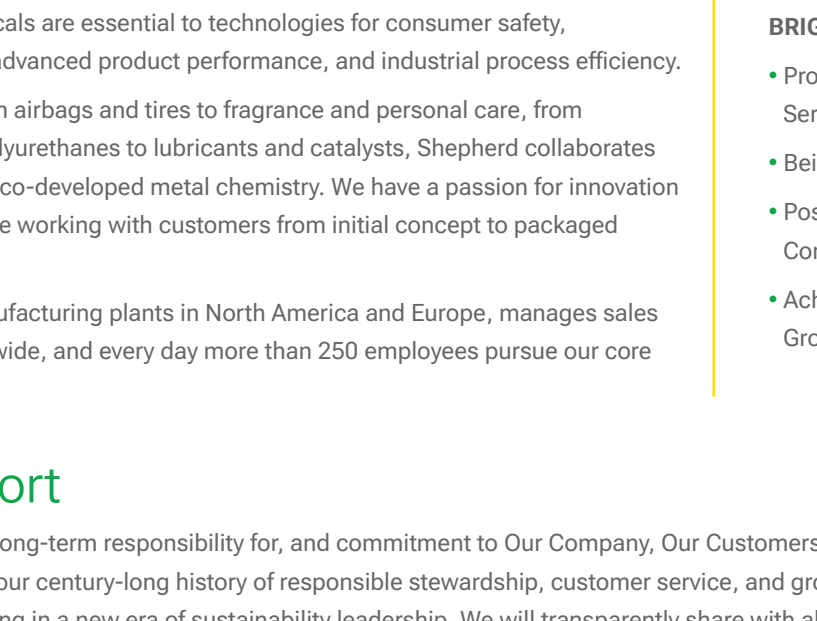




OUR PATH TO A BRIGHTER FUTURE

ANNUAL SUSTAINABILITY REPORT

Published in 2026



conserve — protect — contribute

About Shepherd

The Shepherd Chemical Company is a fourth-generation, family-owned company that develops and manufactures metal-based chemistry for the global marketplace. Shepherd's core purpose is to create value that brightens lives in the four core purpose areas listed to the right. Our specialty chemicals are essential to technologies for consumer safety, environmental sustainability, advanced product performance, and industrial process efficiency.

Partnering with industries from airbags and tires to fragrance and personal care, from industrial components and polyurethanes to lubricants and catalysts, Shepherd collaborates on both standard and custom co-developed metal chemistry. We have a passion for innovation and over 100 years of expertise working with customers from initial concept to packaged product.

Shepherd operates three manufacturing plants in North America and Europe, manages sales and distribution offices worldwide, and every day more than 250 employees pursue our core purpose.

SHEPHERD CHEMICAL EXISTS TO CREATE VALUE THAT BRIGHTENS LIVES BY

- Providing World Class Customer Service
- Being a Great Place to Work
- Positively Impacting Communities and Society
- Achieving Long-Term Profitable Growth

About the Report

This report demonstrates our long-term responsibility for, and commitment to Our Company, Our Customers, Our Community, and Our Environment. Building on our century-long history of responsible stewardship, customer service, and groundbreaking innovation, Shepherd is ushering in a new era of sustainability leadership. We will transparently share with all stakeholders our commitments, demonstrate progress, showcase innovation, and highlight the amazing Shepherd team.

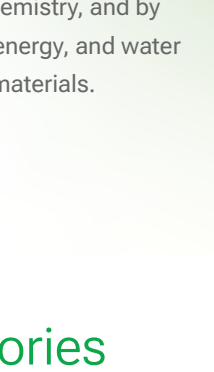
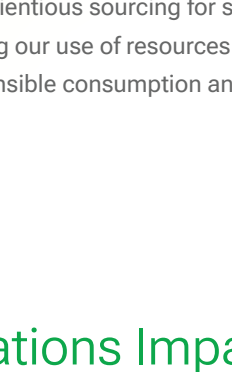
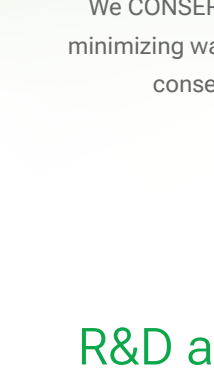
Our Sustainability Strategy is built on three pillars: Conserve, Protect, and Contribute. For each pillar, the objective is to highlight the most significant sustainability topics. Conserve focuses on improving resource and energy use. Protect captures our commitment to making a positive impact on people and the environment. Contribute showcases our engagement with the community, investment in employee wellness, and ability to create innovative, sustainable chemistries that Brighten Lives. In this report, you will find sections dedicating to each of the three pillars, including commitments, data reporting, certifications, Shepherd's Ecovadis rating, and various highlights from across the organization. Except where otherwise mentioned, the data in this report includes only our U.S. operations.

You are invited to join Shepherd in the next chapter of our longstanding commitment to Creating Value that Brightens Lives.

MEMBERSHIPS & CERTIFICATIONS



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A Message From Our CEO About Sustainability



“It is my family's commitment to having a positive, long-term effect on the people we impact.”

Tom Shepherd, President and CEO

Our Core Purpose

At Shepherd Chemical, our work is guided by a simple but enduring purpose: To Create Value that Brightens Lives. This core purpose shapes how we think about our customers, our team members, our communities, and the long-term health of the world we share. Sustainability is one of the tangible ways this purpose is demonstrated — in the choices we make, the investments we prioritize, and the discipline required to balance progress today with responsibility for tomorrow (maximize total long-term value for stakeholders).

Over the past twelve months, some of our sustainability metrics have not improved as much as we would have liked. Lower sales volumes have influenced several of our intensity-based measures, and as a result, certain trends have moved off their intended paths. Here's how we are responding.

This report covers the actions within our control that, we believe, will matter most over the long term. We have made targeted investments in utility and infrastructure upgrades — including boilers, air compressors, lighting systems, and electrical metering — to ensure that we are decreasing our energy intensity and deriving more value from the energy we do consume. In addition, we have formed a dedicated utility conservation team with clear goals and targets focused on improving behaviors, identifying opportunities, and recommending improvements across our operations.

Safety continues to be foundational to Creating Value that Brightens Lives. Over the past year, we have strengthened our SafeStart practice and re-focused our training programs. These efforts reflect an increased emphasis on leadership engagement, knowledge sharing, and consistent practices across our facilities, all aimed at building a safer and more resilient organization.

Sustainability progress is rarely linear. It requires persistence, learning, and a willingness to adjust when conditions change. While this report reflects some challenges, it also reflects momentum — new programs, sharper focus, and a clear commitment to improvement. We remain confident in our direction and committed to the work ahead, with the goal of being more sustainable tomorrow than we are today while continuing to create lasting value that brightens lives.

Thomas L. Shepherd

Shepherd's Environmental & Responsible Care Policy



conserve

We CONSERVE through conscientious sourcing for sustainable metal chemistry, and by minimizing waste and optimizing our use of resources through recycling, energy, and water conservation and responsible consumption and reduction of raw materials.