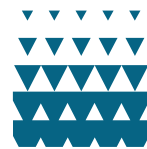




2019 SUSTAINABILITY REPORT



GRAYMONT



REPORT SCOPE

Graymont's 2019 Sustainability Report summarizes the sustainability performance of Graymont and its subsidiaries. The Company's Lime 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. The report also incorporates partial data from newly acquired operations in Asia Pacific, for the period from August 1st to year-end 2019. As more information becomes available, it will be incorporated in the 2020 edition of the Sustainability Report.

Discussion, data and information contained herein relates, with noted exceptions, to the 2019 calendar year. Historical data is provided, again with noted exceptions, for the years 2015 through 2019 and includes references to the year 2004, which has been established as the baseline. The 2020 report is scheduled for publication in April 2021.

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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 we operate.

Our products are essential in addressing today's most pressing environmental issues, while supporting vital industrial processes and agricultural needs. Uses for our products include the purification of air and water, and the production of items essential to a modern economy such as steel, paper, and 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 optimise 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 element 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.

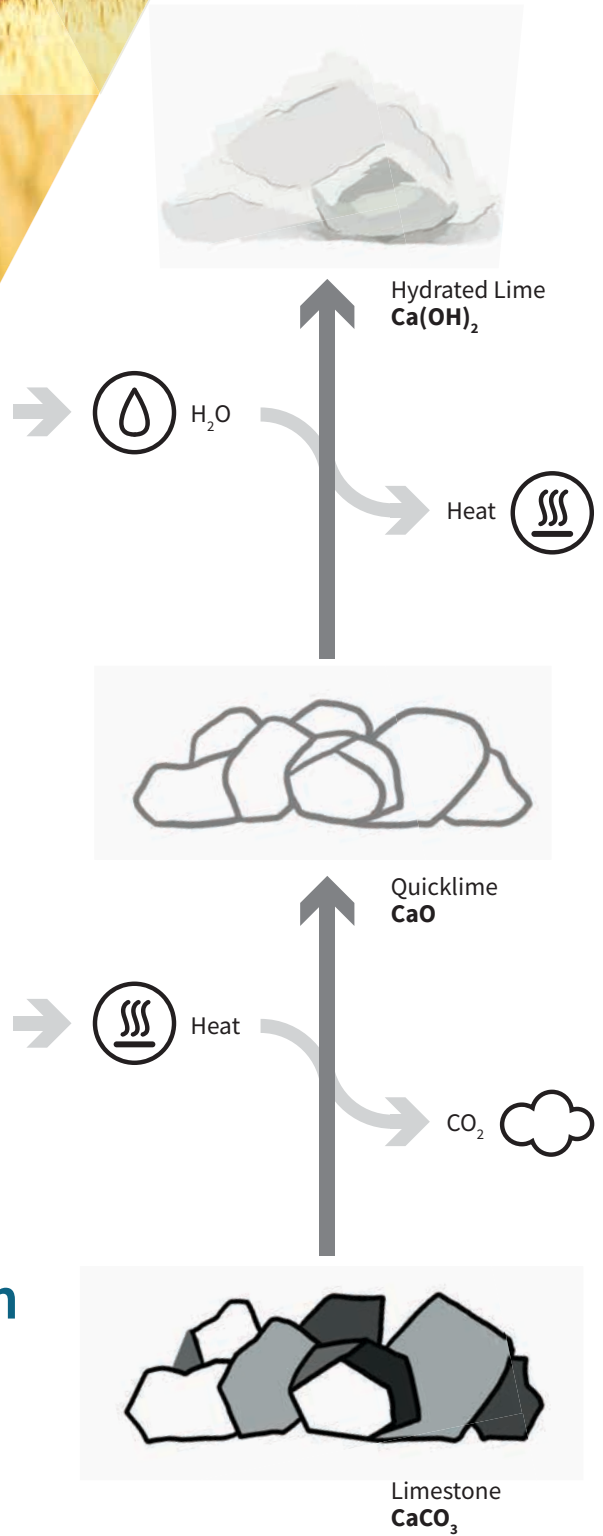
Once extracted, the stone goes through a crushing and screening process to create the proper sizes required for various applications. The stone is then fed to a kiln, where it is heated at high temperature. The intense heat triggers the chemical reaction that transforms limestone into lime. Lime can 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
- ▶ **Building construction:** Mortar, plastering, restoration and whitewash
- ▶ **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 Word From the CEO

Graymont's long-standing strategic partnership with Mexican-based Grupo Calidra set the stage for the two companies to complete a milestone agreement that saw them significantly expand their respective market footprints, by acquiring the lime and limestone business of Belgian-based Sibelco in August 2019.

For Graymont, the addition of seven Sibelco lime plants and a number of limestone quarries on the east coast of Australia, as well as lime plants in Malaysia and the Philippines, represented another significant step towards the realization of its stated mission, "to improve our world by responsibly meeting society's needs for quality lime and limestone products." Furthermore, the transaction allowed us to deliver on one of the key elements of a 'call to action' I issued to employees in 2018 — namely to pursue opportunities to profitably grow our business through strategic acquisitions.

Although our global footprint and reach continue to grow, one thing I can promise you will not change on my watch is Graymont's commitment to be the preferred supplier, employer, and partner of choice wherever we operate. This entails not only exceeding customers' expectations by providing them with an assured supply of high-quality lime and limestone products, but also earning our 'social licence' to operate by respecting the cultures, customs and values of all peoples, maintaining safe, clean workplaces, and proactively engaging with communities to our mutual benefit.

Again in 2019, the Company and its employees were involved in organizing and supporting numerous worthwhile civic endeavours. In the Community Relations section of this report, you can learn more about how our teams have been enthusiastically 'giving back' and making a difference in the many communities, large and small, that we call home. You can also read about our pipeline of major growth projects, including new 'greenfield' facilities planned for sites in British Columbia and Michigan, and the expansion and modernization of existing facilities in Quebec and on New Zealand's North Island.

Another constant at Graymont is safety, which remains a top priority. As I am fond of reminding colleagues and co-workers, nothing is more important than ensuring that everyone is able to return home safely to their families and loved ones at the end of the day. In that respect, I would like to commend the joint efforts of managers and employees throughout Graymont, whose diligence enabled us to rebound from a rather disappointing performance in 2018 to achieve across-the-board improvement in all our key safety metrics for 2019 — and to operate for a 10th consecutive year with zero fatalities. Special congratulations are due to our North American operations, which turned in their best-ever safety performance.

We also achieved sweeping improvements in the crucial area of environmental performance during 2019. Both our 'energy intensity', that is the amount of energy used to produce one tonne of lime, and our greenhouse gas (GHG) emissions intensity decreased appreciably — the latter measure reaching a new record low of over 20.1% below the 2004 baseline. Atmospheric emissions of sulphur oxides and nitrous oxides also dropped significantly, while the number of environmental incidents continued to decline.

We have welcomed approximately 450 new employees to Graymont.

Meanwhile, our colleagues at Grupo Calidra, in which Graymont holds a sizeable equity interest, were able to reinforce their market leadership in Latin America with the acquisition of Sibelco's lime operations in Argentina and Chile.

In the wake of the acquisition, we have welcomed approximately 450 new employees to Graymont, and have been busy engaging with a new group of customers and communities strategically located across Asia-Pacific. I should note too that, despite what some viewed as a rather ambitious timeline, the integration of the acquired business has gone very well and is proceeding apace.

All of us at Graymont can take pride in the fact that our environmental footprint keeps shrinking, thanks to a comprehensive approach which includes both the deployment of new control-and-monitoring technologies and enhanced management of environmental impacts.

Having earlier referenced strategic acquisitions, I should note that 2019 also saw us make further progress regarding the other two elements of the call to action: a renewed focus on state-of-the-art technology — particularly technologies that hold the promise of meaningful environmental benefits; and stepping up development of new value-added products designed to help mitigate environmental impacts and support vital industrial processes.

On the new-products front, the higher-performing ‘enhanced hydrate’ produced at Graymont’s Pleasant Gap facility in Pennsylvania continues to gain traction in the marketplace. Enhanced hydrate enables customers engaged in applications such as dry sorbent injection (DSI) technology, used for facilities such as cement plants, to realize significant cost savings and process efficiencies while meeting stringent emission limits. Another new product recently added to Graymont’s portfolio of innovative solutions targets the agriculture market: the ‘aerial limestone’ produced in New Zealand is sized to facilitate free-flowing aerial application by specially equipped aircraft, in order to improve soil quality and crop yields.

We also continued along the path to automation in 2019, with the commissioning of a fully robotic, state-of-the-art bagging plant at Pleasant Gap, while planning got under way for the automation of stationary equipment in North America, in order to optimize quality and productivity.

In summary, I believe it would be fair to say that 2019 could be characterized as a milestone year, during which Graymont consolidated its position as a global industry leader—including in the vital area of sustainability.



A handwritten signature in black ink, reading "S. Godin".

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 Strategic Leadership Team –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 President of Graymont’s Asia Pacific operations; the Company’s Vice President and Chief Financial Officer; and the Vice President, General Counsel and Corporate Secretary; as well as the Vice Presidents who oversee the various other key functions and divisions which comprise the growing global organization. These include Operations; Sales and Marketing; Human Resources and Corporate Services; Corporate Affairs, Environment and Sustainability; Legal; Integration; 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:

SAFETY
CUSTOMERS
COMMUNITIES
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.

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: <http://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: <http://www.graymont.com/en/sustainability/aboriginal-first-nations-and-indigenous-peoples-policy>



Workforce Culture

Graymont derives its competitive edge in large part from over 1,700 remarkable men and women who bring their skills and energy to work every day at offices and plant sites across North America and Asia Pacific. 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 (H&S) 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.

As we progress on our safety journey, increased emphasis is being placed on workplace culture and behavior to complement initiatives aimed at improving the work system itself. Accordingly, Graymont has adopted a balanced approach that focuses on both systems and people. Our multidisciplinary approach stresses



the value of teamwork and cross-functional collaboration to achieve continuous improvement in safety performance throughout the Company, in keeping with our “One Graymont” culture.

To that end, a set of uniform health and safety standards has been embedded in all Graymont facilities in North America and New Zealand over the past several years. As well, we have established an internal reporting system that provides comprehensive data on occurrences across the organization, enabling us to continue to improve our action plans and/or take corrective action as may be required.

2019 Saw Improvement in all Three Key Performance Metrics

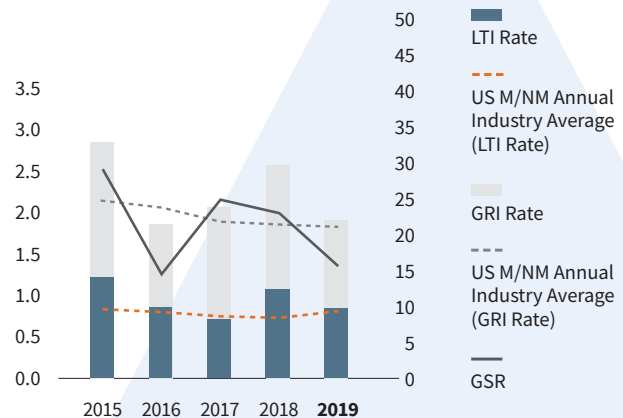
In 2019, we improved on all three key safety metrics compared to 2018: the Graymont Reportable Incident Rate (GRIR); the Lost Time Incident Rate (LTIR); and the Graymont Severity Rate (GSR). Furthermore, we can take pride in having achieved 10 consecutive years with zero work-related fatalities anywhere in the organization.

Second Best Year on Record

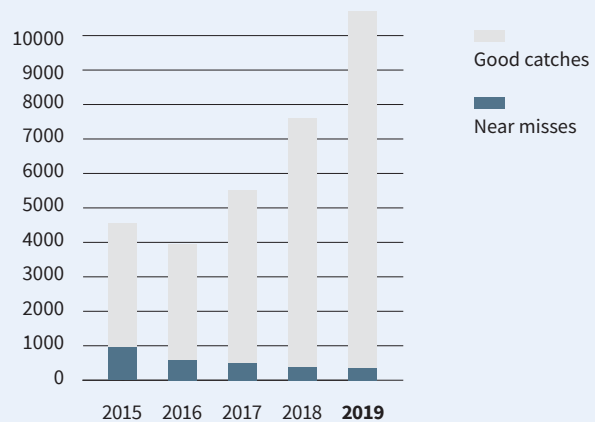
Although we did not surpass our all-time record performance, 2019 did rank as the second-best year since we began tracking those safety metrics company-wide. Noteworthy, too, is the fact that Graymont operations in North America, where the Company has its roots and has long been focused on safety, achieved its best-ever performance with respect to the GRIR and LTIR metrics.

Another positive development saw the total of so-called ‘near misses’ and ‘good catches’ reach new highs again in 2019. 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 such occurrences helps us identify opportunities for improvement before someone gets injured. The upward trend in the reporting of these situations further illustrates that our safety culture continues to gain traction, and that Graymont employees understand and appreciate the value of accident prevention.

GRAYMONT SAFETY PERFORMANCE



TOTAL NEAR MISSES AND GOOD CATCHES REPORTED IN GRAYMONT



Safety Standards Implementation

Underpinning our continuous-improvement approach is a comprehensive set of health and safety standards that were rolled out across Graymont beginning in 2015.

During 2019, we concluded the second cycle of our internal audit program, which verifies compliance with more than 500 different requirements derived from the H&S standards at each of our facilities. The audit exercise is intended to be constructive, and aims to ensure compliance while providing opportunities for the respective sites to learn from one another and share good practices that can help drive continuous improvement. Twelve of the Company's production facilities were audited in 2019.

With the uniform standards now fully implemented and effectively maintained at our facilities in Canada, New Zealand and the United States, the audit frequency in those countries will change from once every two years to once every three years. At the same time, our focus with respect to standards implementation is now shifting to recently acquired facilities in Asia Pacific. A project team has already been put together to help facilitate the integration of the Graymont standards at sites in Australia, Malaysia and the Philippines.

The first stages of this initiative got under way at the end of 2019. They include a desktop and onsite gap analysis to ascertain what differences might exist between legacy H&S policies and procedures at the newly acquired plants and our Graymont standards. Conversely, this exercise will also help identify initiatives or processes that have been effectively deployed at the Asia-Pacific sites prior to their acquisition, which Graymont could learn from. Continuous improvement and openness to new ideas have always been part of our approach to health and safety.

The implementation project will initially focus primarily on high-risk standards, but will eventually encompass all Graymont's standards. The level of H&S 'cultural maturity' at the various sites is also being evaluated, in accordance with the Company's innovative safety culture initiative.

Safety Culture Project

The Safety Culture Project, a noteworthy initiative that focuses on the area of human behavior to help instill a robust safety culture, gained further traction in 2019. 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".

At the beginning of 2019, Graymont's North American operations adopted a new shared focus aimed at advancing safety culture maturity. This thrust essentially entails encouraging people to jointly report behavior-related near miss/good catch incidents. Historically, the majority of near misses and good catches have been linked to unsafe, or potentially unsafe, work conditions — for instance, a 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/unsafe behavior — before they lead to injuries. During 2019, almost 3,000 behavior-related near miss/good catch



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

Additionally, plant-specific action plans stemming from the original round of safety-culture maturity evaluations conducted several years ago are on-going. For example, the Superior, Wisconsin plant has continued its emphasis on the “zero-incident process” training that was introduced in 2018. This initiative essentially centers on front-line leaders building relationships with their direct reports in order to promote positive safe behaviors, while encouraging all employees to take ownership and responsibility for their personal safety *and* that of their co-workers. Meanwhile, the Pleasant Gap, Pennsylvania plant has maintained its focus on discussions between members of the management team and the front-line workforce designed to gauge more precisely the rising level of culture maturity at the site. In particular, they have been examining the rationale provided for specific workplace behaviors or practices that would reflect a mindset more in accord with higher levels of compliance and stewardship.

The Safety Culture Project, a noteworthy initiative that focuses on the area of human behavior to help instill a robust safety culture.

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, was a great success again in 2019. 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.

Utilizing experience gained from past years, we have been able to continuously refine the Safety Challenge format and optimize its impact by sharing the most effective scenarios and exercises among our many sites. Again in 2019, two employees from each facility were selected

to participate in Safety Challenge activities at another Graymont location, in order to observe and learn about winning ideas they could take back to their own sites to help drive further improvements.

The year 2019 also saw our Mexican-based strategic partner, Grupo Calidra, stage its own Safety Challenge, which involved teams from four regions in Mexico and some 145 participants drawn from all levels of the organization. After having monitored Safety Challenge activities at several Graymont sites in the U.S. and Canada during 2018, Calidra designed its own challenge around high-risk safety standards, and included a few new wrinkles such as a "knowledge rally."

Building on the success of the 2019 initiative, Calidra now intends to stage Safety Challenges annually at its facilities in Mexico, and gradually introduce the program to sites in South America.

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 at all our facilities, we were able to pinpoint specific messages tailored to the issues and situations highlighted in 2019. The eye-catching campaign posters focused on the importance of pre-task safety evaluations, and the proper use of protective gear and equipment. The fact that the posters also featured photos of current employees at various Graymont sites helped create maximum impact for the campaign.



SAFETY SCORECARD



1.91

REPORTABLE INCIDENT RATE

(The benchmark 2019 US metal/non-metal mining industry average was **1.83**)

0.85

LOST TIME INCIDENT RATE

(The benchmark 2019 US metal/non-metal mining industry average was **0.81**)

0

FATALITIES

2019 marked the 10th consecutive year Graymont has had no workplace fatalities

EMERGENCY RESPONSE TRAINING

When it comes to dealing with safety and emergency situations, there can be a lot of players involved. Effective collaboration and coordination is essential. That is what prompted several Graymont facilities, including the Pleasant Gap, Pennsylvania plant, to pro-actively partner with local emergency-services teams and fire departments to help fund and stage emergency-response simulation exercises.

At Pleasant Gap, the exercise revolved around a truck driver hit with a serious medical issue who lost control of his vehicle, rupturing a gas line and pinning a fellow employee against a wall. However unlikely that such a scenario might occur, these exercises enable both Graymont employees and the emergency medical services teams to hone their skills and develop solid working relationships.





EMPLOYEE ENGAGEMENT AND RETENTION

At Graymont, we strive to create a unifying “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 believe it’s not just what you do that contributes to our success, but also how you go about doing it.

We understand that the long-term success of our business ultimately depends on engaging with and mobilizing the remarkable men and women who must implement our growth strategy and act for the benefit of all of Graymont, rather than favouring any particular facility, region or function. It’s about living up to Graymont’s shared values, including integrity, respect and accountability. Ongoing training and professional development are 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 1,700 full-time permanent employees at year end 2019, including more than 450 new team members who were welcomed aboard following our most recent acquisition in Asia Pacific. Otherwise, the employment rolls remained mostly stable over the course of the year, while the voluntary turnover rate increased slightly to 7.4%. There were no work days lost to strikes or work stoppages in 2019.

Training and Development – Investing in Our People

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 training and development opportunities that enable employees to enhance their skill sets and prepare themselves to take on greater responsibilities. At the heart of these efforts is the Investing in Our People (IOP) Program. This ongoing initiative is focused on providing key employees from the various production sites and corporate functions with the means required to make the best- possible decisions about their respective areas of Graymont’s operations. 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 — and, in the process, to further his or her own career.

Employee involvement has been a driving force behind the success of the IOP initiative. During 2019, we continued to enlist and train more employees as ‘facilitators’, to support the program’s continued growth and expansion. Going forward, Graymont intends to emulate the IOP model in other areas of focus, with a view to leveraging the significant benefits to be derived from connecting front-line employees to its business goals and objectives.

EMPLOYMENT



1,703

FULL-TIME PERMANENT EMPLOYEES

7.4%

VOLUNTARY TURNOVER

(includes employees who retired)

11 years

AVERAGE LENGTH OF SERVICE

342

EMPLOYEES WITH SERVICE GREATER THAN 20 YEARS

0

STRIKE DAYS

In addition to 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.

Reaching Out to Generation Z

Graymont's efforts to attract increasing numbers of young people from "Generation Z" (defined as those born from the mid-1990s to the early 2000s) gained traction during 2019 with the launch of an Engineering Internship pilot program, which offers engineering students between their junior and senior years an opportunity to apply their knowledge in 'real-life' situations. The program provides the Company with a mechanism for identifying outstanding engineering talent that we might wish to recruit, and has also helped Graymont establish a reputation with area universities as an employer of choice. The pilot program introduced at our Indian Creek, Montana site enjoyed immediate success, when the very first intern ended up being offered full-time employment after he graduates. Plans call for the program to be expanded during the summer of 2020, with the hiring of interns at Cricket Mountain, Utah and Pleasant Gap, Pennsylvania in the United States, and Bedford, Quebec in Canada.

WIN Program Promotes Smart Lifestyle Choices

Graymont's innovative Wellness is Now (WIN) Program gained a new dimension and extended reach in early 2019, when it became accessible via a new WIN portal on the Sprout social-media platform. 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, mixing 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.



U.S. 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 continues to encourage employees to eat healthy and exercise over the holidays, when people are tempted to over-indulge. Employees seeking to shed pounds or 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, also 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

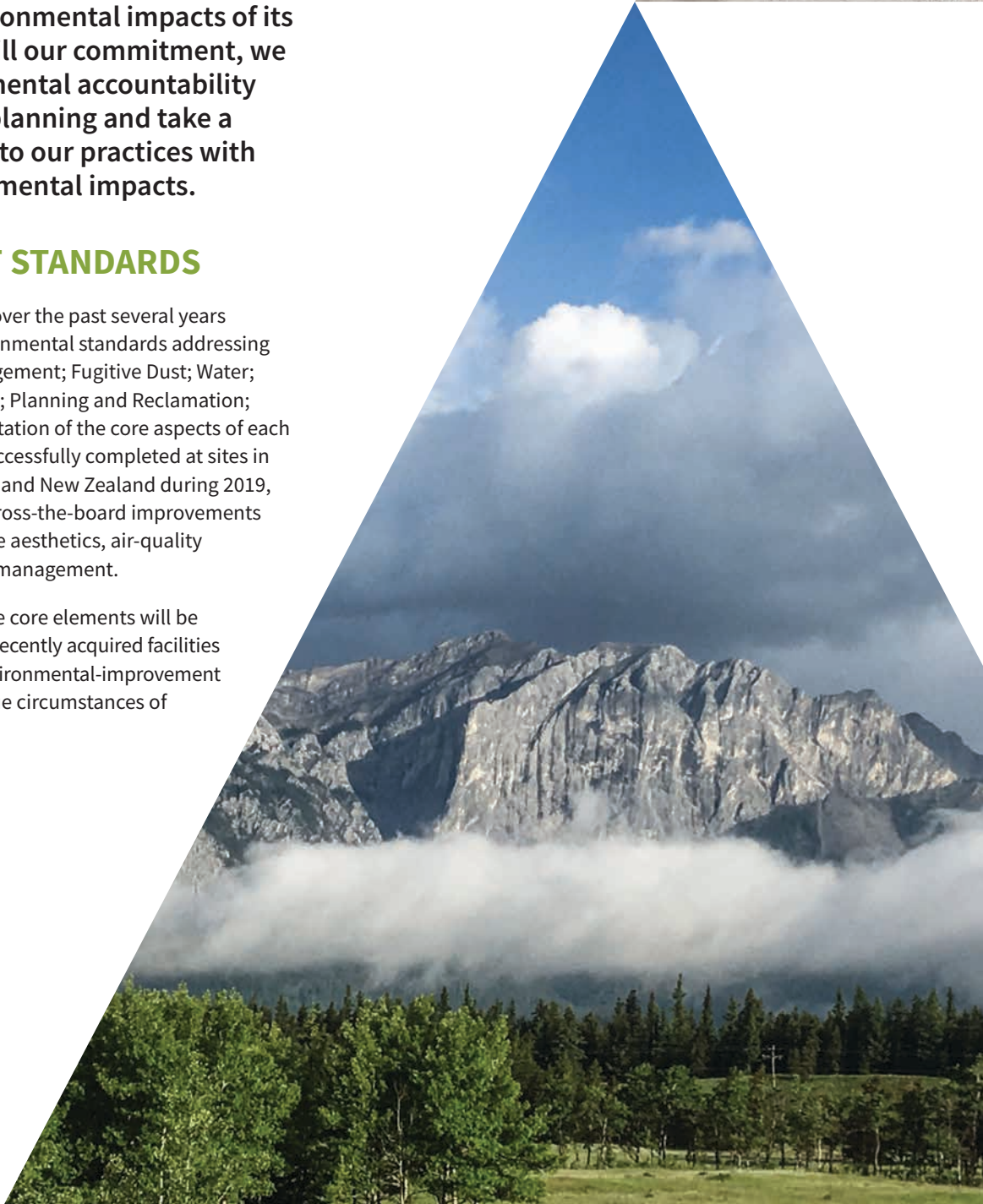
We are committed to operating in a sustainable manner and proud of the fact that Graymont's products are part of the solution in terms of addressing many of today's environmental challenges.

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 approach to our practices with respect to environmental impacts.

ENVIRONMENT STANDARDS

Graymont has been busy over the past several years introducing revised environmental standards addressing seven key areas: Air Management; Fugitive Dust; Water; Residual Materials; Energy; Planning and Reclamation; and Aesthetics. Implementation of the core aspects of each of those standards was successfully completed at sites in Canada, the United States and New Zealand during 2019, resulting in substantial across-the-board improvements in crucial areas such as site aesthetics, air-quality management and energy management.

Going forward, those same core elements will be introduced at Graymont's recently acquired facilities in Asia Pacific, utilizing environmental-improvement plans tailored to the unique circumstances of each site.





CRICKET MOUNTAIN REORGANIZATION

Graymont's Cricket Mountain, Utah plant put together a low-cost project designed to reorganize and improve access to storage areas of the facility, making the space more functional and aesthetically pleasing. In the process, the plant auctioned off several old vehicles and redundant pieces of equipment, and repainted the storage bins and containers to give the area a cleaner, more-professional appearance.

SYSTEMS-BASED APPROACH

To help us fully comprehend our environmental performance and identify opportunities for further improvements, Graymont relies on a dual-component system. First, we utilize our environmental compliance tracking system to record all actions identified and implemented with respect to compliance obligations, which vary according to location. A comprehensive audit program, which includes both internal and external auditors, serves as a second line of control over compliance. Six Graymont facilities in North America and New Zealand were audited by third parties for environmental compliance in 2019, as part of a three-year auditing plan.



BANKS STABILIZATION AT MARBLETON

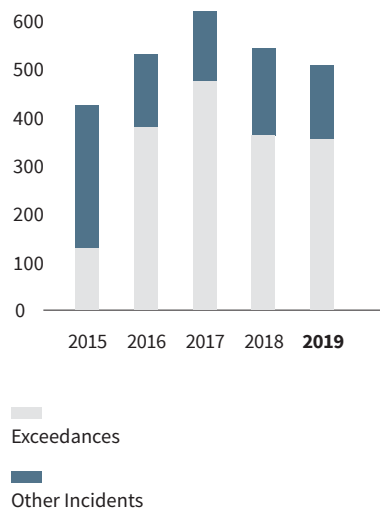
At the Marbleton, Quebec facility, there are a number of streams criss-crossing the site, including one situated only a couple of meters from a major haulage road. Because the banks of this particular stream were very steep and subject to erosion, there was a high risk of slippage that could have sent significant quantities of material tumble into the water, negatively impacting water quality. A banks-stabilization project to address this issue was designed and successfully implemented, which has resulted in banks that are now clean, stable and covered with vegetation.

AIR AND ENERGY – 2019 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.

Following on the heels of 2018’s significantly improved performance, our efforts in 2019 yielded a relatively modest (2%) overall reduction in ‘environmental incidents’, which include exceedances as well as deviations from permits or regulations, spills and complaints*. Results for the latest year were negatively impacted by an 11% increase in exceedances. It should be noted, however, that, despite that jump, we remain well below the average levels of incidents recorded just a few years back. Furthermore, we are confident that the on-going implementation of our revised standards will get us back on track in terms of reducing the number of environmental exceedances, while also helping maintain our positive momentum with respect to deviations and ‘other incidents’.

NUMBER OF GRAYMONT ENVIRONMENTAL EXCEEDANCES AND OTHER ENVIRONMENTAL INCIDENTS



Process Control

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, the Operations departments. 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 increased by 7.2% in 2019*. That increase primarily reflected the addition of recently-acquired production sites in Asia Pacific, as well as increases in production output at legacy facilities in North America and New Zealand.

However, the Company’s overall ‘energy intensity’, that is the amount of energy used to produce one tonne of lime, decreased by 1.3%, reflecting the superior energy efficiency of several of those newly-acquired facilities in Asia Pacific. Also contributing to the significant improvement were the benefits of enhanced strategic planning with respect to kiln operations, along with energy-efficiency projects carried out mainly in Canada.

At the same time, we continued working hard to reduce the volume and intensity of both NOx (oxides of nitrogen) and SOx (oxides of sulphur) emissions, which are by-products of combustion. Thanks to the effectiveness of a four-pronged approach that involves the optimization of fuel-mix, utilization of monitoring equipment as well as specialized training and process-control initiatives, we were able to reduce SOx emissions intensity by a remarkable 35% in 2019, while NOx emissions intensity increased by 5% compared to 2018.

4.2

MILLION TONNES OF LIME PRODUCED (QUICKLIME EQUIVALENT)

- a 8.6% increase compared to 2018
- 33.1% above 2004* levels

26.2

PETAJOULES OF ENERGY CONSUMED

- a 1.3% decrease compared to 2018 intensity
- 20.3% above 2004* levels

5.5

MILLION TONNES OF CO₂eq IN TOTAL GHG EMISSIONS

- 20.1 % below 2004* levels of fuel-related emission intensity (equates to 516 000 tonnes of avoided GHG emissions)

1.1

THOUSAND TONNES OF SO_x EMISSIONS

- 80% under 2004* levels

5.3

THOUSAND TONNES OF NO_x EMISSIONS

- 17% under 2004* levels

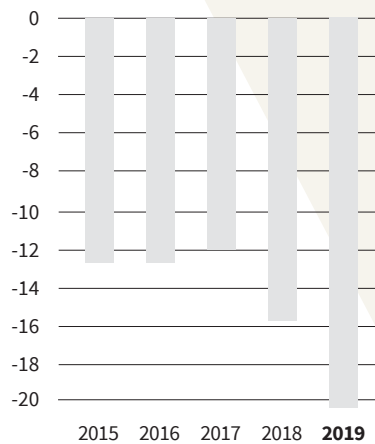
Greenhouse Gases Strategy


Graymont takes an integrated approach to monitoring requirements with respect to greenhouse gas (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.

In 2019 we achieved a new record-low GHG ‘emissions intensity’, 20.1% below the 2004 baseline level. Here again, the major improvement from previous years reflects in part the excellent environmental performance of several recently acquired facilities in Asia Pacific, as well as the increased use of biomass and other low-carbon fuels, and an overall improvement in energy efficiency.

* Environmental incidents, energy and emissions data for Australia, Malaysia and the Philippines have a larger error potential, due to a data-acquisition process that remains under development since the recent acquisition of these facilities by Graymont.

COMBUSTION-RELATED GHG EMISSIONS INTENSITY REDUCTION FOR ALL GRAYMONT LIME OPERATIONS, COMPARED TO THE 2004 BASELINE





Graymont constantly strives to leverage the unique properties of lime products to help resolve and mitigate the many environmental issues our modern world faces.

2019 PARTIALLY CALCINED BY-PRODUCT SALES

▲
▲
▲
▲
▲
▲
▲

340
THOUSAND TONNES
of calcined by-products sold

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. However, sales of by-products vary year by year based on market conditions and development. Sales slowed in 2019, with 340,000 tonnes sold company-wide. That represented a decrease of 15% compared to 2018. However, we remain firmly committed to finding new applications and opportunities for waste reduction, in line with our zero-waste goal.

GRAYMONT AND BIRDS

The year 2019 proved to be a good one for birds that live at Graymont's facilities in Quebec, Canada.

The Saint-Marc-Des-Carrières quarry is host to a Peregrine Falcon couple, a vulnerable species. Employees at the site went so far as to install a nest for the couple in order to ensure they have a place to stay, while keeping them safely out of the path of operations and heavy machinery. During 2019, two baby falcons were born and grew to maturity in the quarry, before leaving the family nest at the end of the summer.

The Bedford, Quebec plant is fortunate to count an amateur ornithologist among its employees. Several years ago, he noticed some Bank Swallows nesting

amongst fine material in quarries. Bank Swallows are migratory birds that saw their Canadian population decline by 98% over the past 40 years. Since 2014, the quarry crew has made a point of avoiding the nesting area as to not disturb the feathered occupants. In 2019, however, increased demand and lower reserves made it impossible to work around the birds. So plant employees configured a screening pile in a quieter area of the quarry near a stream, where the birds could nest in relative security and feed on a ready supply of insects. The very next day, the swallows naturally began moving to the new location and, by the end of the nesting season, there were no fewer than 69 nests.

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, many Graymont locations 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.

An example of our proactive approach to community relations is the engagement initiative we undertook at our newly acquired Galong site in New South Wales,



Australia. The ‘meet-and-greet’ program provided an opportunity to introduce Graymont to local stakeholders — and to solicit their input and ideas as to how we might further enhance our mutually beneficial relationship going forward.

Staged over five days in November, this event encompassed a variety of interactions and meetings with some 60 local stakeholders, including landowners, farmers, business owners, individual residents and community groups as well as the village mayor and councillors, capped off by an informal evening barbecue.

Graymont regards this as just the first step in cementing its long-term relationship with the community, where lime production has been a cornerstone of the economy for well over a century. Plans to conduct a site tour for interested local citizens are already in the works.

Building on Our Track Record

Graymont has 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 are present. In addition to contributing to many local initiatives and events, Graymont has provided significant financial backing to support newly established community-development funds in places where the Company has major projects under way. The Rexton and Harmony Projects, currently taking shape in Michigan and Quebec, respectively, are among recent beneficiaries of such funds. Allocations to community investments, including the community funds, totaled more than CAD \$1.2 million in 2019.

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 2019, Graymont engaged 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 plan for the site, including discussing the site’s longer-term future. In 2019 Graymont completed the first phase of a three-year plan to decontaminate the site, which involved excavating a limited area of hydrocarbon-contaminated soil found near a former tank farm and moving it to a specially constructed bioremediation cell for short-term storage and treatment. The lime operations were indefinitely idled in 2016, due to a combination of poor market conditions, an uncompetitive cost structure and limited stone resources, and 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.

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.

MAKING A DIFFERENCE

The positive outcomes and progress made during 2019 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 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. As is evident from the initiatives outlined below, the employees' energy and enthusiasm serve to enhance practically every aspect of community life.

Support for Education and Schools

Initiatives designed to benefit education and schools continue to be a rallying cry for community-minded Graymont plants and employees just about everywhere.

For instance, at our **Saint-Marc-Des-Carières** site in Quebec, Canada, employees organized a golf tournament that succeeded in raising \$5,000, which was used to purchase special, adjustable ergonomic furniture designed to meet the needs of children with moderate to severe intellectual disabilities and other limitations.

Thanks to the “Organizing for Success” project, 21 children enrolled in the Portneuf County special-education class, equipped with their new desks, will have more opportunity to develop functional autonomy. (Picture 1)

Elsewhere in Quebec, the **Marbleton** plant capped off a commitment that will see it donate a total of \$75,000 over the next five years to help finance the enlargement and upgrading of the local Notre-Dame-du-Parady Elementary School. Support for the school is just one component of the multi-faceted Harmony Project, detailed elsewhere in this report, which is designed to ensure the continued sustainability of the Marbleton facility.





Work on the school expansion was set to get underway in 2020 and is slated for completion in 2021. Almost 120 students attend the school, which will benefit from the addition of a pre-kindergarten classroom as well as a new gymnasium, fitness room and library.

South of the Canada-U.S. border, in **Superior**, Wisconsin, four highly motivated Graymont employees pitched in to support the St-Louis River Quest, a day-long, hands-on learning experience designed to equip some 1,500 sixth graders with increased knowledge and awareness of environmental-related issues, ranging from pollution prevention, habitat restoration and industrial water re-use to sustainable forestry and commercial shipping.

The Graymont volunteers helped ensure that things ran smoothly by chaperoning students throughout the day, while answering myriad questions about the issues being studied.

Employees at the **Genoa**, Ohio plant took a hands-on approach to teaching, offering local youth the opportunity to learn more about potential career paths. Secondary school students with an interest in skilled trades were able to shadow one of the plant's electricians for three days, giving them a first-hand look at what work could be like in a real-world environment.

Half a world away, in the Philippines, employees at Graymont's recently acquired **Rio Tuba** facility underscored the fact that fostering better education for our children is a universal concern. Rio Tuba helps support several daycare centers in the region with donations of learning materials, tables, chairs, hygiene boxes and a 24-inch television. Rio Tuba also finances the services of Alternative Learning System teachers. (Picture 2)

The employees' energy and enthusiasm serve to enhance practically every aspect of community life.



Effective stakeholder engagement makes for sound strategic planning and decision-making, which benefits all stakeholders.

Sports Have Universal Appeal

A love of sports and support for sporting-related community initiatives is another trait that transcends Graymont's growing global network.

The **Marbleton**, Quebec plant, in addition to providing financial support for expansion of the local elementary school, has also made significant contributions of materials over several years to facilitate the establishment and growth of the local equestrian center (*Centre Équestre Équilibre*). Graymont's donations in kind have included materials used in the construction of a riding ring as well as stone screenings used to build jumps. The community now has Olympic-calibre facilities and, having successfully staged the Quebec equestrian championships, is aiming to host international competitions next. (Picture 3)

In western Canada, the **Exshaw**, Alberta plant donated some 120 tonnes of landscaping stone during 2019, which was utilized in the construction of a new ball diamond and campground facility that is managed by the Exshaw Community Association.

In the United States, the **Port Inland**, Michigan plant also pitched in with donations of time and materials to improve the local ball park. One such initiative saw a Graymont maintenance worker build and deliver two 'drags' – one designed to be pulled by a four-wheel-drive, all-terrain vehicle (ATV) and the other by hand – to groom the ball diamond. (Picture 4)

Sport was the main focus of community engagement at the **Otorohanga**, New Zealand site as well. During 2019, the plant provided drinking bottles, gear bags and other sports equipment to local junior basketball, softball and mini-rugby teams. Graymont also sponsored a young rugby player with a scholarship that enabled him to lead his team in regional competition and, later, to participate in the nationals.



Health and Well-being

The health and well-being of not only Graymont employees and their families, but the broader communities we call home, was once again the focus of a number of community-engagement initiatives in 2019.

For example, the **Eden**, Wisconsin plant donated \$2,000 to help cover the expenses entailed in performing high-tech vision tests on some 1,800 4K, 5K and Grade 1 students, at no cost to their families.

Organized by the local Lions Club, the 'SPOT Vision Camera' initiative, can detect six different eye-risk factors in children in only a couple seconds. The tests, which may be extended to the elderly in coming years, are administered by trained volunteers.



Elsewhere in the state, employees of the **Green Bay**, Wisconsin plant served dinner on nine different occasions to clients of a new community shelter. The Graymont volunteers also regularly provide food to the shelter, and make available the use of a fork-lift to help out with the heavy lifting. (Picture 5)

Meanwhile, employees at the **Indian Creek**, Montana plant organized a facility-wide food drive to provide Thanksgiving food baskets to needy families or those struggling with declining health.

Family and Community Events

Family-related events are the traditional focus of community outreach at Graymont’s recently acquired facilities in **Kemaman** and **Kampar**, Malaysia. The

sites hold annual Family Days every November, which showcase friendly competitions pitting employees and their families against one another in various sporting, agility and team-building exercises. Prizes are handed out to winning competitors throughout the day, along with awards recognizing years of service for valued long-time employees. (Picture 6)

In **Havelock**, New Brunswick, Canada, the Graymont plant traditionally throws open its doors on Christmas Eve and welcomes the entire community to a traditional breakfast of bacon, ham, eggs, toast and pancakes, served up in the maintenance shop. It’s a great event that seems to get more popular and attract larger numbers of townsfolk every year. (Picture 7)

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 newly-launched and on-going major projects during 2019.

Bedford Heritage Project

In Quebec's Eastern Townships (*Cantons de l'Est*) region, the Bedford Heritage Project, first conceived almost a decade ago and officially launched in mid-2018, progressed at full speed during 2019. 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.

The project employs a transformative approach that represents a step-change from previous industry norms with respect to site remediation. 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 that promises to be a tremendous asset for the community. Graymont also has established a fund to cover management, maintenance and security costs associated with the new park, as well as several related community initiatives.

The year 2019 saw the construction of 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. Work on the next phases of the project, including the installation of requisite municipal infrastructure, is forging ahead in 2020, in accordance with a timetable that calls for the green space to become accessible to the public in 2023. Graymont continues to work in close collaboration with the three municipalities involved, the Quebec Environment Agency and NGOs, including the Nature Conservancy of Canada, to deliver this transformational undertaking. (Picture 1)

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 2019, as the Company reassessed market demand and project economics. Meanwhile, relations and communications with community members and other stakeholders continued, and Graymont retains all the necessary environmental and mine permits as well as approval for the rezoning of the proposed plant site, which would facilitate a quick launch if and when the project wins approval from the Board and senior leadership.

Marbleton Harmony Project

The Harmony Project (*Projet Harmonie*) 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.

Work on the project continued during 2019, albeit at a somewhat reduced pace in accordance with a timetable revised to reflect changing circumstances, including a slowing market. Although final rehabilitation of the recently closed Quarry 4 was delayed, a stockpile of overburden at the "Lac Miroir" location was planted with trees, thereby finalizing the permanent layout of the site. As well, completion of major water-management infrastructure helped to further improve water quality.



Looking ahead, at the time of this writing, the Company was still waiting for one required authorization from the provincial government. Meanwhile, discussions continued with community representatives regarding the creation of a fund that would be used to achieve mutually beneficial value-creation objectives.

Oparure Expansion Project

The objective 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 also serving the pulverized limestone, agricultural limestone and aggregate markets.

With respect to accessing sufficient supplies of stone for the medium term, permits necessary to further develop the existing quarry pit to the north were obtained in 2019. Graymont was also successful in gaining government approval to purchase an adjacent farm, which has extensive high-quality limestone deposits as well the added benefit of being situated close to the existing quarry infrastructure. In keeping with our collaborative, sustainable approach, the purchase of the farm, completed in mid-2019, included provisions to protect a cave entrance and safeguard native vegetation on the property. Detailed environmental assessments of the expansion project, including but not limited to ecological, noise, water and cultural impact studies, were on-going at year's end, and it was hoped that permit applications could be submitted in 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, continued in 2019. As it awaited the anticipated green-lighting of the state-of-the-art production complex, Graymont opened its new Eastern Quarry at a nearby site and shipped a vessel load of stone from the recently upgraded Brevort dock on the shores of Lake Michigan to its Green Bay, Wisconsin plant for testing. (Picture 2)

Rexton-related initiatives planned for 2020 include improvements to local road infrastructure to be carried out in coordination with the Michigan Department of Transportation, with the aim of improving traffic safety on a section of U.S. Highway 2 near the Brevort dock.

In line with its commitment to engage stakeholders and provide additional direct economic benefits to the region that will host the new plant, Graymont also continued to finance a Community Development Fund that is administered at arm's length by Lake Superior State University. Disbursements in 2019 provided financial assistance to three neighbouring townships, a local school, a service organization, an ambulance service, and a non-profit focused on fighting hunger.

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 2015 through 2019 and includes references to the year 2004, which has been established as the baseline.



Social Performance Data

KPI		2019	2018	2017	2016	2015	NOTES
Number of full-time permanent employees	Australia	270	-	-	-	-	As of December 31 of each year
	Canada	515	525	536	555	640	
	New Zealand	69	70	72	82	84	
	South East Asia	206	-	-	-	-	
	United States	643	648	651	758	804	
	Total	1703	1243	1259	1395	1528	
Voluntary turnover rate	Total	7.40%	6.90%	8.30%	8.39%	5.41%	Includes employees who retired
Composition of Graymont Limited Board of Directors and Officers	Directors	9M 1F	8M 2F	8M 2F	8M 2F	8M 2F	M - male, F - female
Officers	11M 2F	10M 3F	10M 3F	11M 3F	13M 1F		
Reportable Incident Rate	Australia	1.85	-	-	-	-	Number of incidents that result in medical treatment, lost work days or restricted work days per 200,000 exposure hours
	Canada	1.87	2.38	3.00	2.94	3.58	
	New Zealand	5.29	2.58	1.19	1.03	2.49	
	South East Asia	1.02	-	-	-	-	
	United States	1.96	3.05	1.96	1.64	2.40	
	Total	1.91	2.57	2.06	1.86	2.85	
Lost-time Incident Rate	Australia	1.85	-	-	-	-	Number of incidents that result in lost work days per 200,000 exposure hours
	Canada	1.07	1.32	1.25	1.58	1.51	
	New Zealand	3.97	2.58	1.19	1.03	-	
	South East Asia	1.02	-	-	-	-	
	United States	0.30	0.91	0.45	0.45	0.71	
	Total	0.85	1.08	0.71	0.86	1.22	
Fatalities	Total	0	0	0	0	0	
Monetary fines for safety non-compliance	Australia	\$0.0	-	-	-	-	Thousand AUD\$
	Canada	\$0.0	\$0.0	\$3.4	\$3.2	\$1.8	Thousand CAD\$
	New Zealand	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	Thousand NZD\$
	South East Asia	\$0.0	-	-	-	-	Thousand CAD\$
	United States	\$59.3	\$78.2	\$49.2	\$48.0	\$44.5	Thousand USD\$
	Total	\$78.8	\$100.4	\$67.5	\$66.8	\$51.0	Thousand CAD\$
Number of days lost to strikes	Australia	0	-	-	-	-	
	Canada	0	42	0	0	0	
	New Zealand	0	0	0	0	0	
	South East Asia	0	-	-	-	-	
	United States	0	0	0	0	0	
	Total	0	42	0	0	0	
Employees covered by retirement and health benefits	Australia	100%	-	-	-	-	
	Canada	100%	100%	100%	100%	100%	
	New Zealand	100%	100%	100%	100%	100%	
	South East Asia	N/A	-	-	-	-	
	United States	100%	100%	100%	100%	100%	
	Total	N/A	100%	100%	100%	100%	
Employees covered by assistance program	Australia	100%	100%	100%	100%	100%	
	Canada	100%	100%	100%	100%	100%	
	New Zealand	100%	100%	100%	100%	100%	
	South East Asia	100%	100%	100%	100%	100%	
	United States	100%	100%	100%	100%	100%	
	Total	100%	100%	100%	100%	100%	
Community investments	Australia	\$10	-	-	-	-	Thousand AUD\$
	Canada	\$785	\$528	\$303	\$616	\$423	Thousand CAD\$
	New Zealand	\$25	\$9	\$26	\$77	\$3	Thousand NZD\$
	South East Asia	\$48	-	-	-	-	Thousand CAD\$
	United States	\$278	\$276	\$179	\$185	\$260	Thousand USD\$
	Total	\$1,233	\$913	\$562	\$932	\$759	Thousand CAD\$

Environmental Performance Data

KPI		2019	2018	2017	2016	2015	NOTES
Energy use intensity	Australia	4.91	-	-	-	-	Energy use intensity at facilities, including combusted energy and electricity, in Gigajoule per tonne of lime produced
	Canada	6.15	5.79	5.61	5.75	5.96	
	New Zealand	7.25	6.71	6.93	7.40	5.00	
	South East Asia	4.12	-	-	-	-	
	United States	6.28	6.40	6.74	6.73	6.44	
	Total	6.20	6.28	6.50	6.54	6.29	
Direct greenhouse gas emissions	Australia	0.08	-	-	-	-	Million tonnes CO ₂ e Lime production only
	Canada	0.94	0.96	1.04	1.06	1.15	
	New Zealand	0.17	0.17	0.22	0.29	0.16	
	South East Asia	0.13	-	-	-	-	
	United States	4.15	3.99	4.11	3.93	4.08	
	Total	5.46	5.12	5.37	5.28	5.39	
Production carbon intensity	Australia	0.94	-	-	-	-	Tonnes CO ₂ e per tonne lime. Lime production only (2004 intensity = 1.31 in Canada and 1.43 in the U.S.)
	Canada	1.04	1.15	1.17	1.18	1.21	
	New Zealand	1.24	1.26	1.29	1.31	1.27	
	South East Asia	1.08	-	-	-	-	
	United States	1.49	1.36	1.41	1.41	1.38	
	Total	1.29	1.31	1.35	1.35	1.33	
NOx emissions intensity	Australia	1.92	-	-	-	-	Kilograms/tonne of lime produced Lime production only (2004 emissions = 2.2 in Canada and 4.3 in the U.S.)
	Canada	1.79	1.33	1.83	2.24	2.15	
	New Zealand	0.73	0.66	0.51	0.73	0.63	
	South East Asia	0.30	-	-	-	-	
	United States	1.16	1.13	1.24	1.31	1.29	
	Total	1.25	1.16	1.34	1.49	1.47	
SOx emissions intensity	Australia	0.04	-	-	-	-	Kilograms/tonne of lime produced Lime production only (2004 emissions = 1.6 in Canada and 3.6 in the U.S.)
	Canada	0.20	0.23	0.32	0.47	1.32	
	New Zealand	0.94	0.78	0.61	0.58	0.75	
	South East Asia	0.03	-	-	-	-	
	United States	0.25	0.45	0.63	0.56	0.50	
	Total	0.25	0.42	0.56	0.54	0.70	
Monetary fines for environmental non-compliance	Australia	\$0.0	\$0.5	-	-	-	Thousand AUD\$ Thousand CAD\$ Thousand NZD\$ Thousand CAD\$ Thousand USD\$ Thousand CAD\$
	Canada	\$10.0	\$0.5	\$9.6	\$10.0	\$0.1	
	New Zealand	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
	South East Asia	\$0.0	-	-	-	-	
	United States	\$552.7	\$0.0	\$1.8	\$16.9	\$14.7	
	Total	\$743.4	\$0.5	\$12.0	\$32.3	\$18.8	
Emission exceedance events	Australia	0	-	-	-	-	Number of exceedance events An exceedance event can involve an exceedance for a period as short as six minutes.
	Canada	13	26	31	37	61	
	New Zealand	9	2	3	19	5	
	South East Asia	0	-	-	-	-	
	United States	177	154	294	169	62	
	Total	199	180	328	225	128	
Other environmental incidents	Australia	3	-	-	-	-	Other environmental incidents include spills, deviations and complaints.
	Canada	78	89	71	65	97	
	New Zealand	3	6	7	8	8	
	South East Asia	1	-	-	-	-	
	United States	69	-	67	79	79	
	Total	154	181	145	152	152	
Total cumulative land area disturbed	Australia	344	-	-	-	-	Hectares Includes plant sites, quarries and pits.
	Canada	1,245	1,128	1,155	1,146	1,068	
	New Zealand	100	98	97	89	85	
	South East Asia	36	-	-	-	-	
	United States	1,113	1,018	959	1,092	1,072	
	Total	2,838	2,244	2,244	2,327	2,225	
Land area reclaimed	Australia	0	-	-	-	-	Hectares Includes plant sites, quarries and pits.
	Canada	8	1	3	14	3	
	New Zealand	0	0	0	0	0	
	South East Asia	0	-	-	-	-	
	United States	0	4	0	0	61	
	Total	8	5	3	14	64	
Partially calcined by-products sold	Australia	1	-	-	-	-	Thousand tonnes.
	Canada	39	31	33	33	52	
	New Zealand	4	4	4	8	5	
	South East Asia	23	-	-	-	-	
	United States	274	365	271	247	352	
	Total	340	400	313	289	409	

Economic Performance Data

KPI		2019	2018	2017	2016	2015	NOTES
Lime sales	Total	4.26	3.91	3.95	3.95	4.02	Million tonnes of quicklime equivalent
Employee remuneration (includes wages, salaries, and health and retirement benefits)	Australia	\$15.0	-	-	-	-	Million AUD\$
	Canada	\$73.8	\$70.1	\$72.0	\$75.0	\$80.1	Million CAD\$
	New Zealand	\$7.4	\$7.4	\$7.5	\$9.0	\$4.3	Million NZD\$
	South East Asia	\$1.3	-	-	-	-	Million CAD\$
	United States	\$73.2	\$72.8	\$75.2	\$80.8	\$84.1	Million USD\$
	Total	\$192.4	\$171.2	\$177.0	\$190.5	\$191.5	Million CAD\$
Financial assistance received from governments	Australia	\$0	-	-	-	-	Thousand AUD\$
	Canada	\$138	\$214	\$788	\$1,640	\$1,300	Thousand CAD\$
	New Zealand	\$0	\$0	\$0	\$0	-	Thousand NZD\$
	South East Asia	\$0	-	-	-	-	Thousand CAD\$
	United States	\$424	\$1,442	\$656	\$467	\$800	Thousand USD\$
	Total	\$700	\$2,083	\$1,640	\$2,259	\$2,323	Thousand CAD\$
Expenditures on research and development	Total	\$835	\$10,845	\$2,682	\$4,216	\$6,100	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, as well as offices in Calgary, Alberta, and Bellefonte, Pennsylvania.

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 Asia-Pacific. 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, in Kuala Lumpur, Malaysia, North Sydney, Australia and Hamilton, New Zealand as well as offices in Manila, Philippines and Brisbane, Breaside and Adelaide in Australia.

Glossary and Abbreviations

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 Catches – 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 oxide

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

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 which resulted in no harm to 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

SOx – 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.

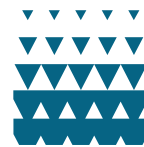
CONTACT US

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.

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