The background features a construction site at sunset, with a large excavator and a building under construction visible through a hexagonal mesh overlay. The sun is low on the horizon, creating a warm, golden glow. The mesh is dark and semi-transparent, allowing the background scene to be seen through it.

2021

ESG

REPORT

**Tensor**<sup>®</sup>

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## ABOUT THIS REPORT

This inaugural ESG Report covers Tensar’s environmental, social, and governance (ESG) strategies, activities, progress, and performance for the year ended December 31, 2021, unless otherwise noted. Tensar is committed to regular, transparent communication of our progress and intends to continue providing updates by publishing annual ESG reports. We look forward to bringing our stakeholders along with us on this journey.



# Letter from Our CEO

**Tensar welcomes the opportunity to highlight our environmental, social, and governance (ESG) progress and principles in this inaugural ESG Report.**

Since our invention of the original geogrid in 1978, and the invention of the original Geopier® foundation improvement system in 1991, our culture has been built on innovation, continuous improvement, integrity, teamwork and social responsibility. Our commitment is not only to technology and industrial progress, but also to our relations with our employees, the communities we serve, and in the cost-effective, carbon-saving solutions we deliver to our customers each and every day.

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We take pride in doing our part to make the world a more sustainable and resilient place. Our technologies help reduce the use of natural resources and improve the carbon footprint of infrastructure and other projects. We think of these benefits as central to our value proposition.

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Above all, the health and safety of our people remains our top priority. But we also prioritize the holistic wellness of our employees beyond their physical health by providing support for personal and professional development and mental health. And finally, we strive to ensure that our culture is one that embraces diversity and supports inclusivity across our many regions and business units.



**Mike Lawrence**

Chief Executive Officer

We are especially enthusiastic about our planned acquisition by CMC, Inc. because we believe both companies are built on rich histories of innovation, commitments to our customers' success, and similar values guiding our respective visions. Joining CMC will provide a powerful accelerator to our ESG efforts and, together, we look forward to meeting the growing expectations for sustainable solutions globally.

As we move forward, we plan to continue regularly reporting on our ESG strategy and progress. We are also looking forward to the opportunity to continue providing value to our customers, not only through cost effective solutions to their infrastructure challenges, but also through better environmental outcomes, a greater sense of social responsibility, as well as ethical business operations.

**Mike Lawrence**

Chief Executive Officer

Our commitment is not only to technology and industrial progress, but also to our relations with our employees, the communities we serve, and in the cost-effective, carbon-saving solutions we deliver to our customers each and every day.



# About Tensar

Tensar Corporation is the industry leader in ground stabilization solutions. We help engineers, contractors and owners use our Tensar® and Geopier® technologies to achieve more cost-effective, reliable solutions for soil stabilization, pavement construction, earth reinforcement, foundation improvement and other site development challenges around the world.

Our affiliates include, **Tensar International** which develops, manufactures, and provides its proprietary geogrid products and related engineering/design services, and **Geopier Foundation Company** which develops, licenses to installers and provides proprietary building foundation systems and related engineering/design services.

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**Tensar**®      **GEOPIER**®

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## Proven success, proven solutions

**Headquartered in Alpharetta, Georgia, US**

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**First Tensar geogrid installation: 1980 (UK)**

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**First Geopier installation: 1994 (US)**

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**4 Tensar manufacturing facilities in the  
U.S., U.K., China, and Russia**

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**+650 employees**

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**+400 Patents covering many products and  
technologies granted in over 60 countries.**

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**Serving +500 customers in 80 countries**

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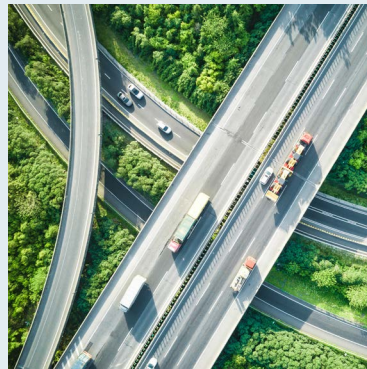
**Tensar Corporation to be acquired by  
Commercial Metals Company in 2022**

## OUR VISION, MISSION, AND VALUES

**OUR VISION** is to be the world leader in trusted innovative solutions that strengthen and stabilize the face of the earth, making our world a safer and more sustainable place for generations to come.

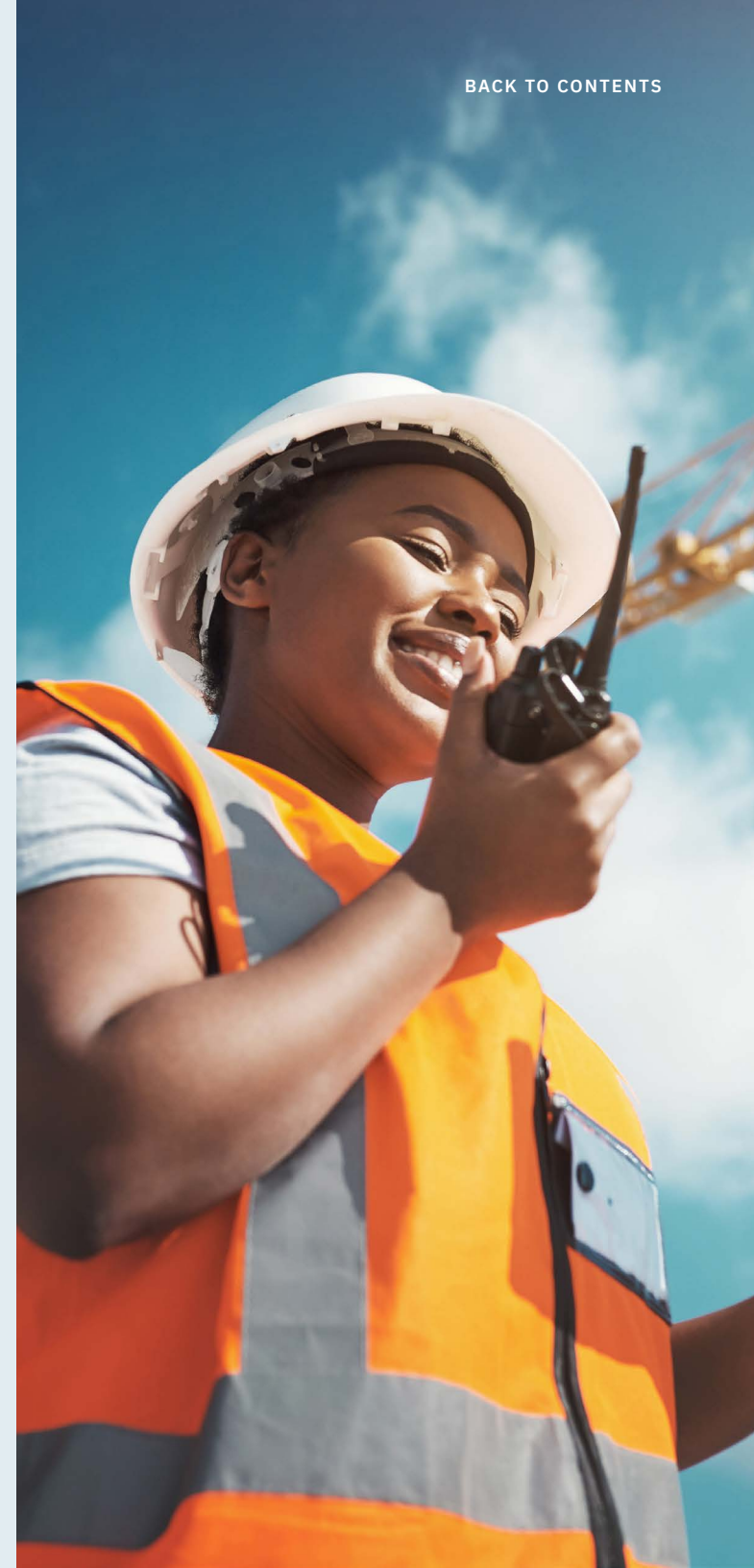
**OUR MISSION** is to be our customers' preferred and trusted partner with proven engineered solutions delivered under a global brand, helping to grow their business by meeting critical needs for:

- Accelerated construction
- Reduced initial construction costs
- Increased asset performance and longevity
- Optimized total lifecycle cost
- Sustainable solutions



**OUR VALUES** drive our Vision and Mission and are the foundation of our business practices and culture and include:

- **Health & Safety** of our employees and our environment are our most critical obligations and everyone's job at Tensar.
- **Integrity** is paramount – we do what we say we will do in an honest and ethical way.
- **Teamwork and Diversity** propel our performance and drive our passion; people are valued and continuous development is expected; we treat everyone fairly and opinions are respected.
- **Accountability** and fact-based decisions are fundamental to our performance culture; we work across organizational boundaries to accelerate results.
- **Continuous Innovation** comes from welcoming new ideas and applying “fail fast – fail cheap – fail forward” thinking in everything we do.
- **Customer-Centric** mindset and solutions drive our mutual success.

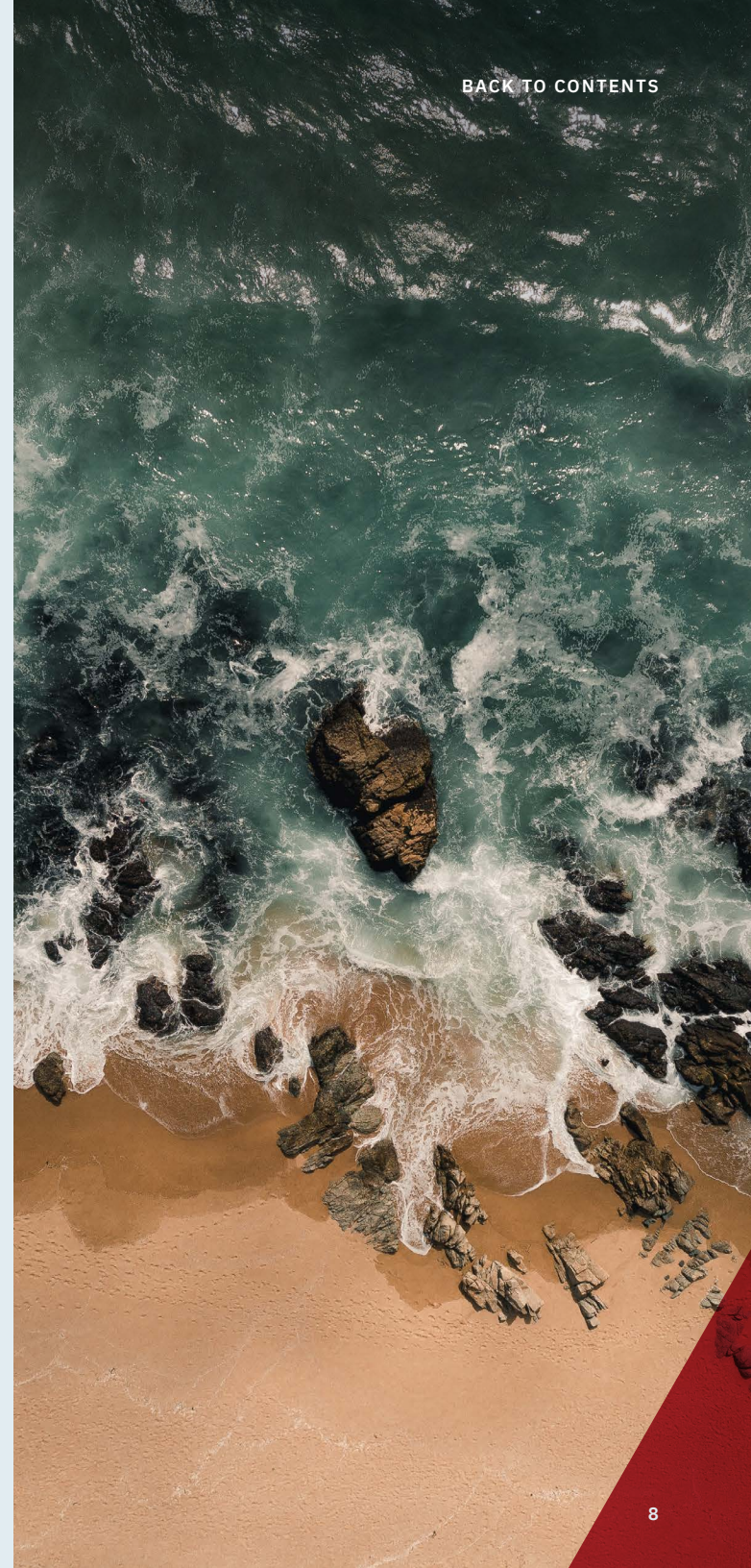


# Our Commitment to ESG

Our commitment to ESG is central to our purpose and strategy. Our everyday work, and our products and technologies, contribute to construction efficiencies and a lower-carbon future. Driven by our corporate Vision, Mission, and Values, our ESG vision is to advance and improve resilient infrastructure by optimizing the construction and performance of roadways, building foundations and other structures while significantly reducing the environmental footprint associated with construction and maintenance activities. We are building a better future through innovative environmental solutions that allow our customers to use natural resources sustainably and address climate change with urgency.

Building a better future also means building a better place to work. Our commitment to ESG reflects our values of integrity, teamwork, and innovation. It starts with attracting, developing and retaining the best possible talent by demonstrating that our people can have an impact. We strive to be a truly inclusive organization that celebrates and supports diversity across our regions and business units.

Please join us on this long-term journey to create greater value for our stakeholders.





# 2021 ESG Highlights and Progress

## ENVIRONMENTAL

Lower carbon emissions by reducing aggregate, asphalt, equipment usage and fuel consumption used in construction

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Products result in extended performance of paved and unpaved roadways and delayed rehabilitation works

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Developed Tensar and Geopier Carbon Footprint Calculator

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Received ISO 14025-certified Environmental Product Declarations for UK geogrid line

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Implemented ISO 14001-certified Environmental Management Systems at UK and China manufacturing facilities.

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Secured 100% renewable electricity for UK plant

## SOCIAL

Winner of the Disability, Inclusion & Inclusive Recruitment Award at the Northwest UK Employee Engagement Awards

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In Western Hemisphere, 69% of our new hires were minority and 21% were female

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Expanded employee engagement survey globally

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Hosted an Equity, Diversity, and Inclusion (ED&I) Conference in Eastern Hemisphere

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Implemented ISO 45001:2018-certified Health & Safety Management Systems for China operations

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Established global COVID-19 safety procedures and vaccination incentives for WH employees

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Expanded Mental Health initiative globally and implemented Mental Health First Aiders qualification throughout Eastern Hemisphere

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Hosted global financial wellness webinars for employees

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Provided US employees with incentives to complete a health and wellness program

## GOVERNANCE

Established global ESG Steering Committee

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Issued Global Code of Conduct in Q3 2020 with follow-up communications in 2021

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Steps taken with UK suppliers to advance compliance with UK Modern Slavery Act and planning to address with Chinese and Russian suppliers in 2022

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Implemented enhanced global ethics reporting, including anonymous hotline

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Delivered Corporate Compliance and Risk Management training on multiple subject matters

# Environmental

To create a more resilient future, we believe we need infrastructure that optimizes construction efficiencies and performance and minimizes environmental impact. Tensar helps meet this challenge by reducing the material required to stabilize land, protecting natural landforms against excessive deformations caused by traffic, making construction times faster, and delivering more durable infrastructure.

## MAXIMIZING PRODUCT IMPACT AND BENEFIT

### Innovating to decarbonize infrastructure

Our geogrids help decarbonize infrastructure construction projects by reducing the time, energy, and materials needed during construction and over the lifecycle of stabilized landforms. The environmental benefits we can provide continue to magnify as infrastructure projects globally skyrocket and the availability of aggregate materials used in road and rail construction diminish.

For example, we help our customers reduce carbon emissions and energy use, and get the most out of our materials through:

- Increasing road quality and resilience to withstand more extreme weather conditions compared to traditional stabilization methods, thereby reducing maintenance.
- Reducing excavation of soil materials and rock volumes needed during construction and enabling use of varying local fills thereby minimizing land disturbance, reducing hauling, and speeding construction.



- Reducing the amount of high carbon-emitting asphalt materials
- Allowing the use of recycled and reclaimed materials such as recycled concrete and reclaimed asphalt pavement in site construction

In addition to helping decarbonize the built environment, fewer construction hours translates into lower safety risks and public disruption. In reducing the amount of traditional construction materials like aggregate, Tensar solutions minimize compaction water needs, thereby saving hundreds of millions of gallons of water annually and helping preserve this valuable resource.

### Carbon calculator

We can quantify the benefits of our geogrids and Geopier elements with our Carbon Footprint Calculator that we developed to demonstrate the environmental effectiveness of our products and systems. This proprietary tool, whose effectiveness has been third-party verified, estimates the potential carbon savings from using our products and methods compared to traditional methods.

### Environmental Product Declarations

We provide transparency and data to our customers so they can make informed decisions. As part of this effort, Tensar conducted cradle-to-gate Environmental Product Declaration (EPD) assessments in the UK for our TriAx® geogrids. This third-party report, certified under ISO 14025, helps quantify environmental impact of this product line during manufacturing. We have started the process of conducting cradle-to-grave EPD assessments for products manufactured in the US and the UK.

## Benefits from less aggregate material in road construction

**Up to 40% less aggregate consumed**

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**Up to 30% reduction in associated carbon emissions on projects**

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**Up to 65% reduction in overall excavated material requirements**

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### Material reuse and recycling

Making more geogrid with less polymer saves money and reduces waste. More than 99 percent of waste polymer is recycled during the production process, and less than 0.5 percent of raw material goes to landfill.

### OPERATING RESPONSIBLY

Tensar has a long-standing commitment to environmental stewardship, which aligns with our purpose as a company. We continue to reduce environmental impact from our operations, including increasing energy efficiency and reducing carbon emissions.

### Environmental management systems

Our customers and employees increasingly expect effective environmental management. As a global company, we tailor our environmental management to national governance frameworks and stakeholders while continuing to align our practices across the enterprise.

Our UK and China-based manufacturing operations utilize ISO 14001-certified Environmental Management Systems (EMS). This system is central to our efforts to manage risks from noise, dust, emissions, waste, and other pollutants that may affect the environment in and around our facilities.

The EMS ensures that all levels of the organization are involved with environmental decision-making, including:

- Daily environmental risk management at facilities
- Periodic environmental audits by internal and external parties
- Bi-annual review with regional management
- Annual senior management review of objectives and performance

## Environmental management targets and plans for 2022 at manufacturing plants

**Generate cradle-to-grave EPDs including in the US for select products**

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**Review combined heat and power**

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**Install pollution control measures**

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**Review packaging re-use opportunities**



### **Energy efficiency at facilities**

We continue to focus on reducing energy use at our manufacturing and office facilities. At our UK facility, for example, we identified energy efficiency measures including monitoring equipment, combined heat and power, solar opportunities, intelligent LED lighting, and new energy-efficient compressors for process machines. We identified 26 energy-saving measures and implemented 16 projects, resulting in 860 tCO<sub>2</sub>e annual savings. Our global headquarters in the US is in the process of converting to energy-saving intelligent LED lighting.

### **Addressing carbon emissions and renewable energy**

Our UK manufacturing operations, which are powered by 100 percent renewable electricity, are leading the charge on renewable energy. Our approach to climate emissions and renewable energy in the UK is driven by national requirements. Climate legislation requires us to commit to a Climate Change Agreement that sets out a 6.67 percent carbon reduction target for 2021-22 against a 2018 baseline.

When our energy contract was up for renewal, we decided to change to a supplier that provides 100 percent of our expected electricity needs from renewable wind sources with zero carbon emissions. This power provider is also planting trees in protected forests in the Peruvian Amazon on Tensar's behalf.



# Social

At Tensar, our goal is to ensure our employees are safe, engaged, and feel like they belong. Our employees are of the utmost importance to us and we strive to make them feel heard and valued. And we will make especially certain that this value remains following the CMC acquisition.

## PRIORITIZING HEALTH AND SAFETY

### ISO-certified Health & Safety Management System

At Tensar, our number one priority is the health and safety of our employees. Health and safety at Tensar means ensuring the physical safety of our employees as well as those we come into contact with, while also focusing on wellbeing and mental health.

Everyone at Tensar is covered by Occupational Health and Safety procedures, and our China manufacturing facility has implemented ISO 45001:2018-certified Health and Safety Management Systems. Tensar records Lost Time Incident Rate (LTIR) and Recordable Incident Rate (RIR) as defined by OSHA. These metrics are our top-line safety performance indicators.

We ensure that our staff receive appropriate PPE before visiting a job site. We also ensure staff receive training to work safely and assess any risks that there may be during their site visit. Throughout the year, we provide occupational safety training, targeting our manufacturing operations and project sites. This training focuses on:

- Job specific hazard identification
- Toolbox talks addressing specific incidents
- Fire response
- Manual handling

## 2021 global safety performance at-a-glance

**100% of our workforce covered by formal safety and health procedures**

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**2.83 total recordable injury rate**

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**8 recordable work-related injuries**



## Mental Health First Aider Training

As part of our focus on employee wellbeing, we implemented Mental Health First Aider training across our Eastern Hemisphere operations. Fifty employees are now trained across 10 countries, representing 15 percent of our Eastern Hemisphere workforce.

A Mental Health Webinar also was conducted for US employees. The course covered how to:

- Keep colleagues healthy
- Encourage people to access support
- Empower people with a mental health issue or disability to thrive at work
- Build a supportive, open culture around mental health
- Embed positive cultural change across the organization



## COVID-19 Response

**During the height of the pandemic, when there was a supply shortage, Tensar issued masks to our entire workforce. We shipped face masks between our businesses in China and the EMEA when supplies were unavailable. To ensure our people remained safe, we performed a risk assessment to determine the number of people allowed in rooms and supported resilience and mental health classes. We used touchless human temperature measurement devices in our US offices and manufacturing facilities.**

**Our US operations provided a financial incentive to Plant workers to get vaccinated against the Covid virus and arranged for a medical service provider to visit the US plant to administer vaccinations. Our remote work policy allowed non-factory employees to work from home on an agreed schedule.**

## BUILDING A GREAT PLACE TO WORK

At Tensar, we aim to build an engaging workplace where talented people come to work and advance their careers. Guided by our People Plan, we're working to develop, reward, and retain top talent.

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In China we re-designed the office space to be more open, welcoming, and collaborative. We also refurbished the dormitory, bathrooms, and canteen at our Wuhan manufacturing facility. Employees may stay at the plant dormitory free of charge and meals at the canteen during working hours are also free of charge.

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### Talent Development Program

We prioritize developing employees' skills, whether they are plant workers, part of the sales team, or in corporate offices. We address gaps in skillsets, then develop training with managers' input.

Following our successful Talent Development Programme (TDP) in EMEA in 2020, Tensar conducted a second TDP to include all Eastern Hemisphere operations. The objective this time was to foster teamwork and diversity, improve talent development, and link employees' mindset to our customer agenda. We're already planning a third TDP in 2023 that will include the Western Hemisphere.

Globally, we continued emphasizing talent development in 2021. Numerous training opportunities were offered to management and supervisors on diverse topics including Interviewing Skills, Employee Relations, and Employee Retention.





Also individual one-on-one leadership coaching and 360 Degree Feedback assessments were provided for select employees and groups.

### Recruiting from Within

In line with our Policy of Equal Opportunity Employment, Tensar takes seriously development and career progression opportunities for our people. We post vacant positions internally and encourage existing employees to apply, and provide a financial incentive to employees who recommend qualified candidates who are hired by the company.

### Tensar Values Competency Framework

Designed to support our people through the employee career cycle as they move up in the company, we developed the Values Competency Framework. This Framework identifies specific behaviors expected of each people category - including our staff, managers, and directors - that align with our company's values. For example, we emphasize propelling our performance and driving our passion, valuing people, continuous development, treating everyone fairly, and respecting opinions.

### Employee Engagement Survey

Being a great company to work for, and having engaged employees, helps us be more productive, resilient, and successful. Our engagement survey was piloted in the UK in 2018, later rolled out across our Eastern Hemisphere operations, and then introduced to Western Hemisphere offices in 2021. The purpose of the survey was to measure employee satisfaction and engagement and highlight progress against our People Plan.

## Our 2021 Employee Engagement Results

**Employee engagement is measured against Net Promoter Score and an Employee Engagement Index, in addition to 4 other factors:**

- Response rate: how many employees completed the survey
- Emotional engagement: how do people feel about working here
- Rational engagement: what do our people think of their jobs and company
- Motivational engagement: how motivated and supported do people feel here

**We received the Gold Standard issued by Anthem for our Eastern Hemisphere operations, which represents an employee engagement rate of 75 percent or more.**

**The Western Hemisphere came close to Gold with a rating of 74.9 percent.**

## FOSTERING EQUITY, DIVERSITY & INCLUSION

Teamwork and diversity are core values for Tensar. We want to ensure we are a truly inclusive organization that welcomes new ideas and celebrates and supports diversity across our regions. We operate globally and want our teams to represent the communities within which we work.

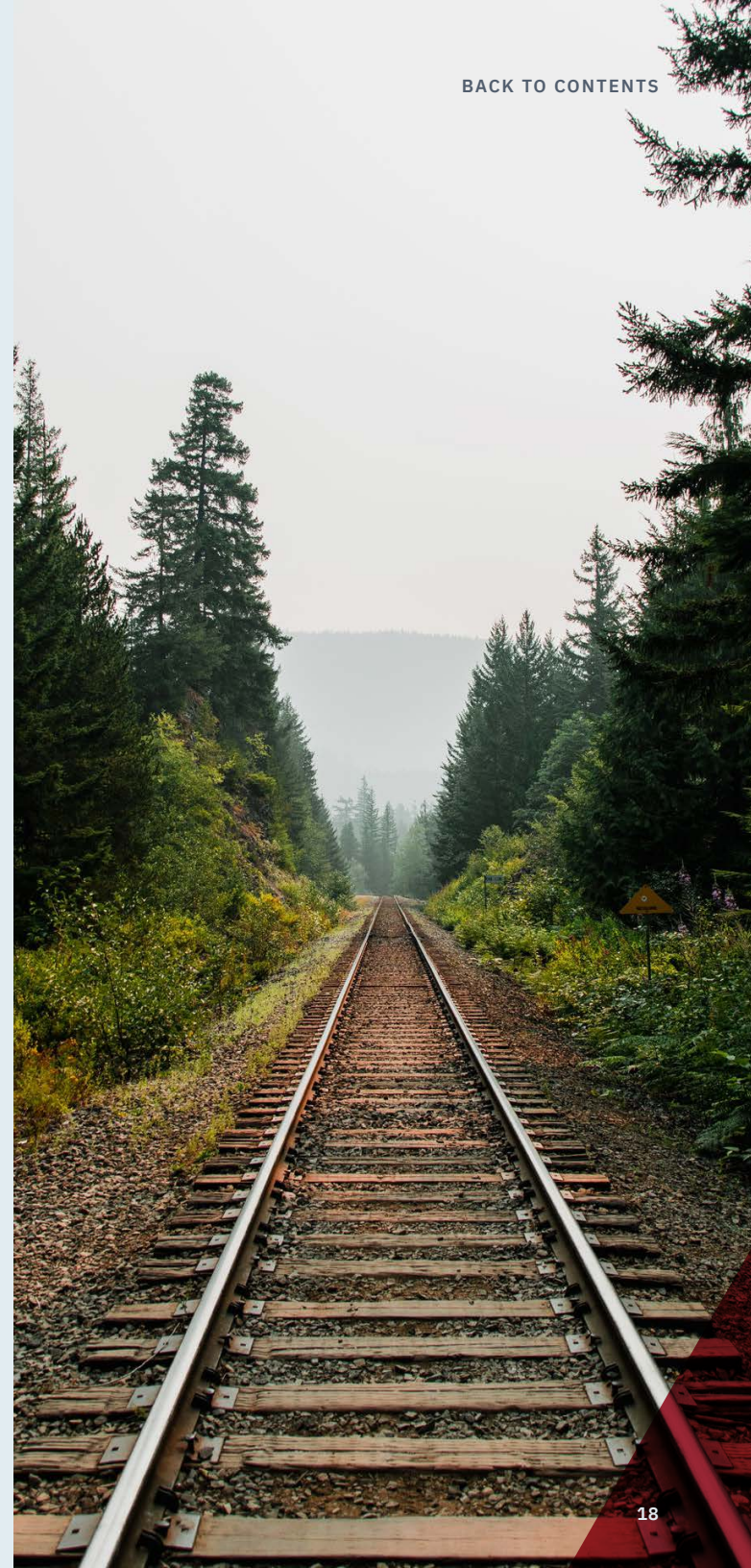
### Equity, Diversity & Inclusion (EDI) Policy

We recognize that diversity is found in any social identity, such as age, culture, race, ethnicity and gender. Equity, Diversity & Inclusion (EDI) is critical to our business success and more than just a compliance necessity.

We were proud to launch our first Equity, Diversity & Inclusion Policy recently, which outlined our strategy:

- Inclusive leadership
- Diverse talent
- Equal opportunities
- International mindset
- Mutual respect

To further bolster our EDI efforts, in 2021 we developed recommendations on how to make Tensar a more inclusive organization. Fourteen recommendations were presented to Eastern Hemisphere leadership, such as improving communication, fostering personal and professional development, promoting employee engagement, and encouraging diverse recruitment.



In support of our Equal Opportunity Policy, US employees receive an invitation from the Human Resources Department to confidentially identify as an individual with a disability, and several employees have identified as such. They can also request an accommodation to help them perform the essential functions of their job.

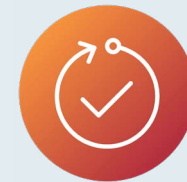
Critical to the success of our EDI efforts is building awareness within the company. To that end, some of our colleagues, including those from the Eastern Hemisphere leadership team, will complete training in 2022 to become Diversity & Inclusion Ambassadors. This training will reinforce key EDI concepts, such as:

1. The difference between diversity and inclusion
2. Exploring bias and conscious inclusion
3. Leading with inclusive thinking
4. Inclusive language and cultural competency
5. Keeping it legal and challenging behaviors
6. Wellbeing and the impacts of COVID-19

### EDI Conference

In July 2021, our Eastern Hemisphere employees convened an EDI conference. Guest speakers from Microsoft, BAE Systems, Anglo America, and Highspeed Rail 2 (HS2) Project met to share best practice and learnings on EDI issues with the 50 conference attendees. Through mediated conversations, we challenged ourselves to understand the difference between equity, diversity, and inclusion, how to embed the values of teamwork and diversity within our company, and envision a roadmap for the company moving toward greater inclusivity. Important outcomes were discussions that led to a draft of our EDI policy and recommendations to the EH Leadership team.

We want to ensure we are a truly inclusive organization that welcomes new ideas and celebrates and supports diversity across our regions.



Equal Employment Opportunity is a Tensar value. This was demonstrated in the Western Hemisphere with a significant majority of new hires in 2021 being minority and/or female. Training was also provided to all employees on preventing discrimination and harassment in the workplace.

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In 2021, Tensar EH received an award from the Disability, Inclusion & Inclusive Recruitment at the Northwest UK Employee Engagement Awards

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### LIFTING UP OUR COMMUNITIES

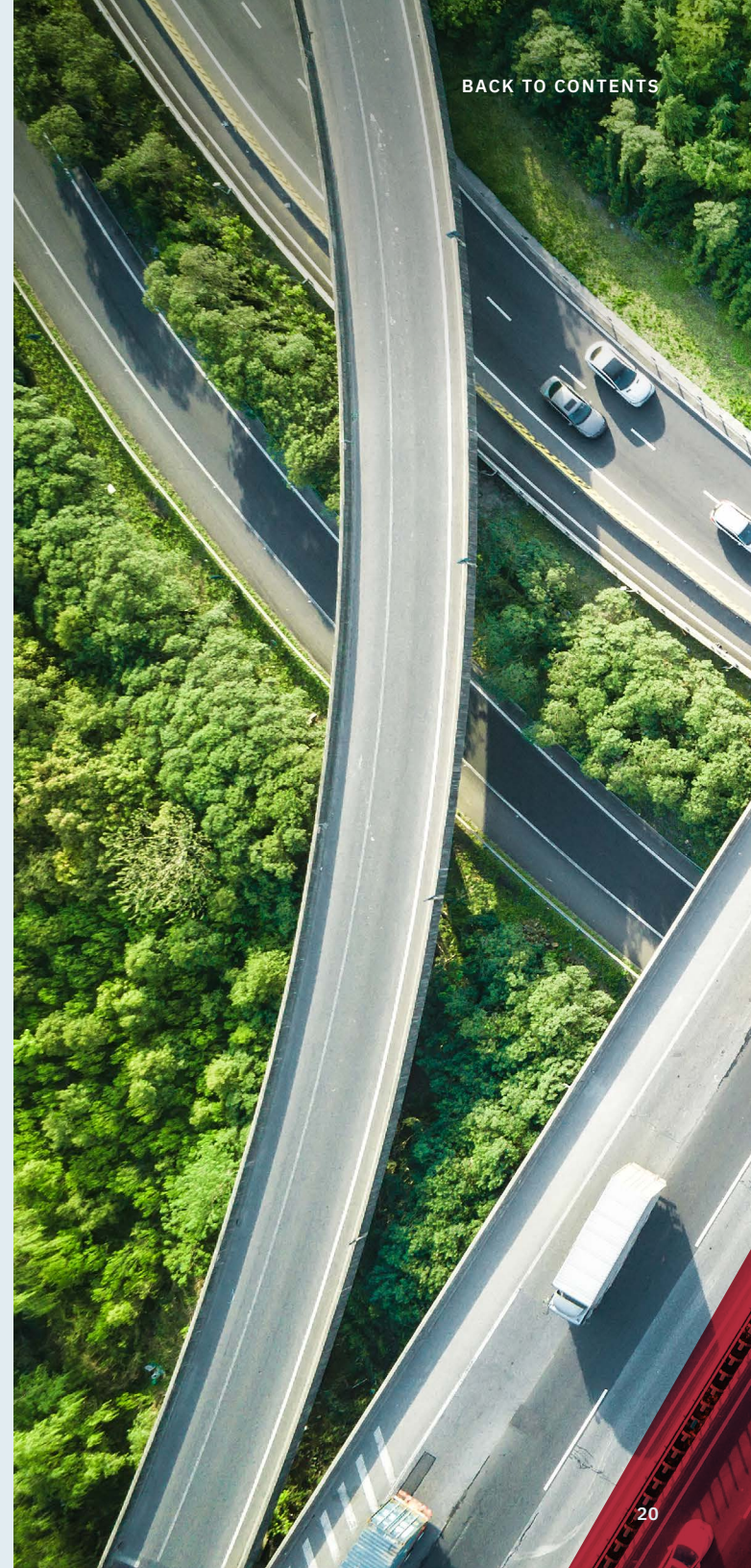
Supporting our business and employees' community engagement efforts is an important way of aligning our organizational values with that of our teams.

We promote positive wellbeing by supporting the following organizations in the UK and the US:

- Blackburn Youth Zone – UK
- Our team includes STEM ambassadors and ran a competition during UK lockdown encouraging young people to design their own sustainable transportation concept
- Tensar participation in food drives in Utah and Texas.

Donations made informally through partner charities:

- Create Mentoring Program
- Eddie Yeats Memorial Foundation
- Memorial Foundation for a former employee
- Omaha Community Foundation
- University of Texas Engineering student sponsorship



# Governance

## LIVING OUR VALUES

Ethics and integrity are important to Tensar. We seek to lead with these values not just externally, but internally as well.

## Global Code of Conduct

Our Code of Conduct, published in October 2020, states the company's expectations for everyone across the enterprise regarding ethical behavior and other professional standards. The Code is available in multiple languages and consists of five focus areas:

1. Honesty, Openness, Transparency
2. Health, Safety, Environment
3. Employment and Business Practices
4. Protection of Assets
5. Communications

## Global compliance focus, including global complaint hotline

Our diverse and global footprint is a source of pride and strength to us, but we recognize that at times, our geographical spread can lead to additional risks. Some territories we work in, for example, present higher risks for corruption. To manage these risks, our Global Hotline and Complaint Reporting tool allows anonymous reporting of suspected ethics violations or other concerns anytime, anywhere and in multiple languages.



We recognize, too, that supply of materials to the company and construction activity by others can involve forced labor risks. Complying with the UK's 2015 Modern Slavery Act is essential to demonstrating accountability and preserving the safety of those who work for and alongside us. Our customers also ask important questions as their expectations for fair labor practices become part of their decision-making processes.

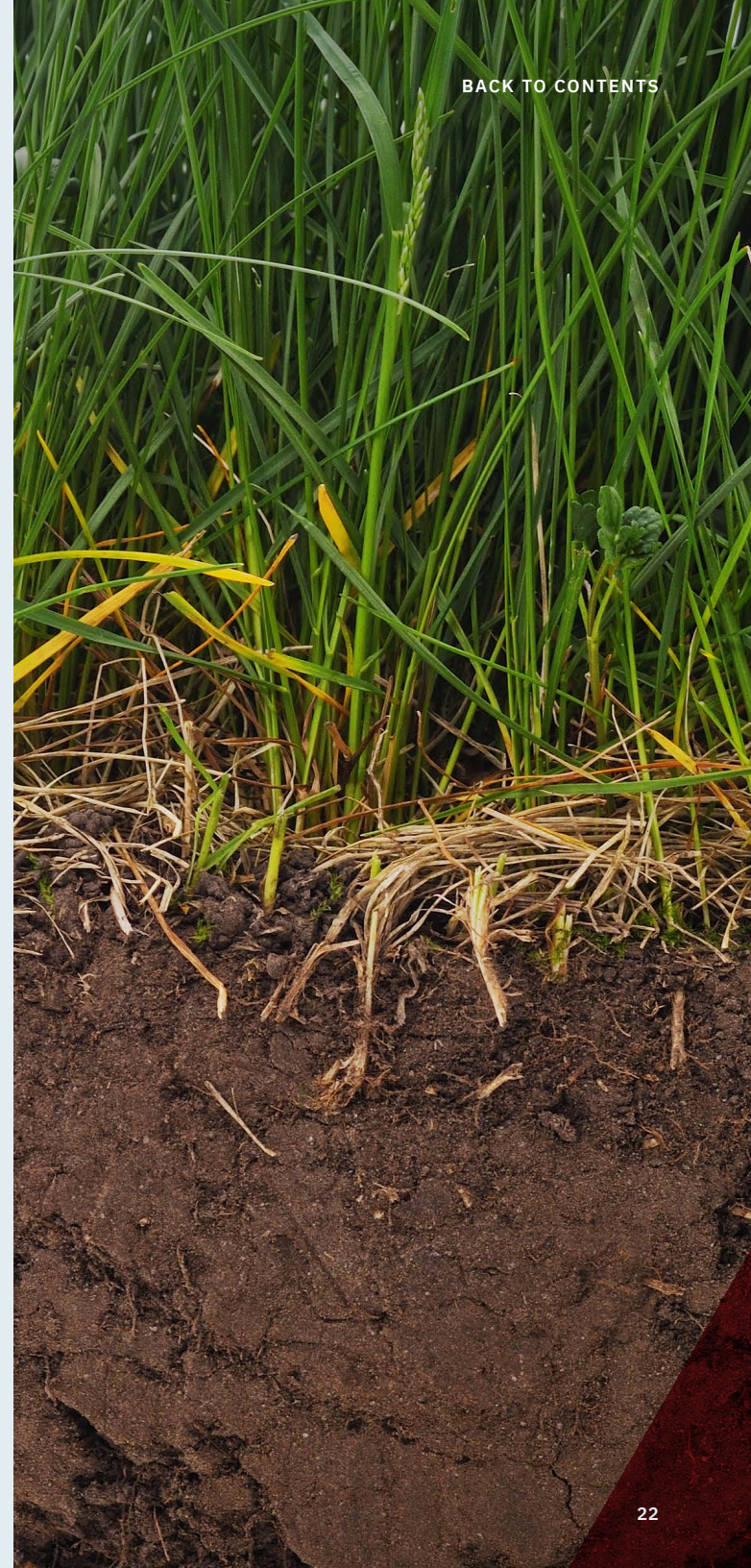
In the Eastern Hemisphere in 2020 we issued our Modern Slavery Statement, reaffirming our commitment to protecting human rights and preventing forced labor. We also strengthened compliance efforts, including:

- Working with existing suppliers to ensure modern anti-slavery law compliance
- Requiring new suppliers to certify their compliance with our Modern Anti-Slavery Key Principles

### **Compliance trainings**

Our Corporate Compliance Program sets forth our policies and practices concerning compliance with laws, industry standards, customer expectations, controlling business risks, fair treatment of employees, and striving to always do the right thing.

We rolled out our global corporate compliance and risk management training program to senior managers in 2019 and now use parts of it during onboarding of new employees. Our training identified more than 60 risk factors that could affect our business, – including modern slavery practices, bribery, and gifts – and the tools available to responsibly manage these risks.



## LEADING WITH INTEGRITY

### Executive leadership role

ESG starts at the top with Tensar's senior leadership. Our CEO communicates with employees through regular Town Hall meetings and online communications including about what the organization is doing, planned initiatives, and the introduction of ESG throughout the organization. In addition to supporting Tensar's ability to manage risk, ESG is a means for aligning governance practices across diverse business units and regions. And given our shared strategic vision and commitment to ESG, we expect that our acquisition by CMC will accelerate ESG adoption at Tensar.

### ESG Steering Committee

In 2021, we established the ESG Steering Committee with the goal of aligning ESG with our mission and values. The function is to assess current initiatives, prioritize strategies, and begin setting a course for the future. The committee continues to identify resources, delegate responsibilities, and communicate with stakeholders.

Our ESG efforts start at the top with our CEO and the members of the steering committee. From there, responsibility flows to our business unit management, human resources, legal, IT, marketing, finance, operations, and other departments for oversight of relevant environmental, social, and governance issue areas.

In addition to supporting Tensar's ability to manage risk, ESG is a means for aligning governance practices across diverse business units and regions.



## MANAGING CYBERSECURITY RISK

### Privacy and security policies

Protecting individuals' privacy, complying with privacy laws, protecting our trade secrets and other intellectual property, and meeting customers' expectations to safeguard confidential information are all critical to our company. To address the challenges of varying practices around the globe, 90 percent of our staff have received training in cybersecurity. We have implemented a Data Security and Compliance Committee which addresses issues including:

- Data Breaches and Cyber Security
- Employee and Third-Party Privacy
- IT and Communications
- Keeping abreast of regulatory developments
- Continuous improvement and training

### Cybersecurity penetration testing

As part of starting new projects, we perform a Data Protection Impact assessment. In June 2021, a third-party in the UK reviewed Tensar's cybersecurity, including network penetration on our external facing network subnets. We are proud that no leaks, thefts, or losses of customer or business partner data were identified in the last three years. We are planning to expand this review with internal penetration testing and ethical hacking scenarios.







**Tensar**<sup>®</sup>

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