



# **WE ARE WHAT WE REPEATEDLY DO**

2017-2018 Corporate Responsibility Report



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## A message from **OUR CEO**

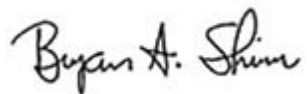
At U.S. Silica, we have always been motivated to do what is best for our people, partners and planet. For over 100 years, we have grown and evolved but have not lost sight of our responsibilities to preserve, protect and enhance the world in which we live.

Today, U.S. Silica is a leading performance materials company with more than 1,500 diversified products delivered from state-of-the-art plants and transload facilities to customers across the globe, with 17,653,604 tons of product sold in 2018 alone. We've earned our longstanding reputation by repeatedly choosing to do what is right in both our operations and in the communities in which we live and work. While we're constantly innovating our business, that part of our story will forever stay the same.

Throughout this report, you will see our steady commitment to protecting our people and our planet in action. We demonstrate how we empower our employees and make investments to enhance our communities, and the steps we have taken to prioritize increased safety measures and reduce our environmental footprint.

We hold ourselves accountable to high standards and believe in being transparent with both the progress we have made, and our opportunities for improvement.

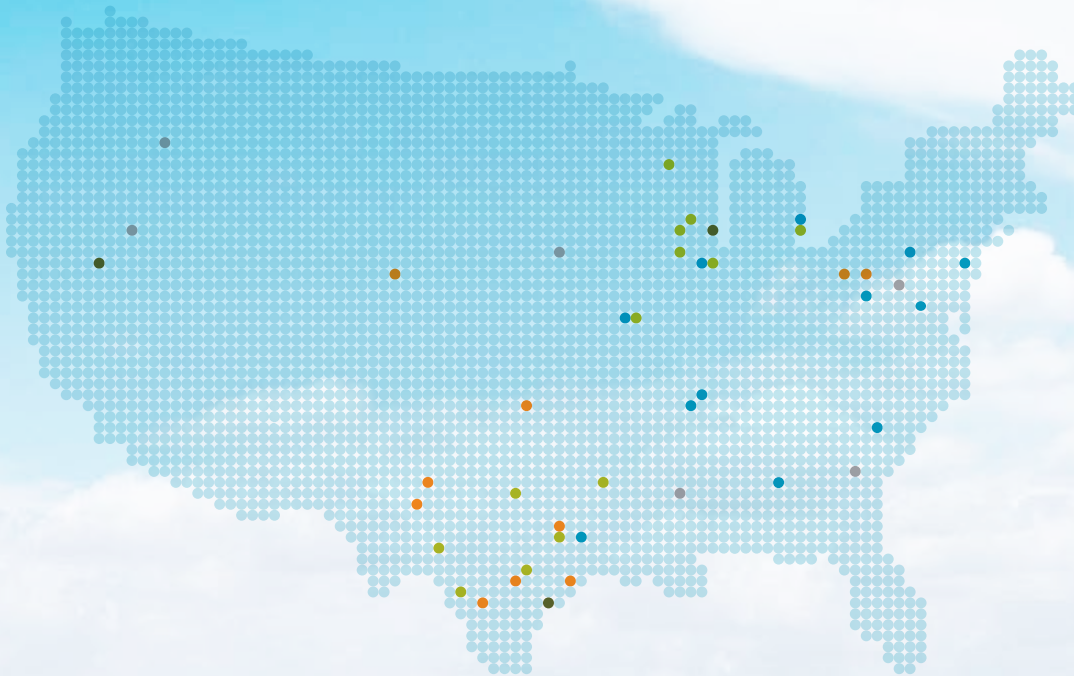
We celebrate the many people who played a part in our achievements in 2017 and 2018. We will always continue to innovate and advance because we understand that every action we take to enhance our communities is a step towards a brighter tomorrow.



Bryan A. Shinn  
President & CEO



# Our LOCATIONS



**ISP:**

- HURTSBURO, AL
- DUBBERLY, LA
- MAURICETOWN, NJ
- MAPLETON DEPOT, PA
- COLUMBIA, SC
- JACKSON, TN
- MONTPELIER, VA
- BERKELEY SPRING, WV
- CLARK, NV
- FERNLEY, NV
- MIDDLETON, TN
- OTTAWA, IL
- PACIFIC, MO
- ROCKWOOD, MI

**OIL & GAS:**

- OTTAWA, IL
- ROCHELLE, IL
- UTICA, IL
- PERU, IL
- SPARTA, WI
- ROCKWOOD, MI
- PACIFIC, MO
- MILL CREEK, OK
- TYLER, TX
- KOSSE, TX
- VOCA, TX
- CRANE, TX
- LAMESA, TX

**EP MINERALS/  
PERFORMANCE  
MATERIALS:**

- BLAIR, NE
- FLORISIL, WV
- JACKSON, MS
- LOVELOCK, NV
- MILLEN, GA
- VALE, OR

**OFFICES:**

- CHICAGO, IL
- KATY, TX
- RENO, NV

**SANDBOX  
LOGISTICS:**

- HOUSTON, TX
- OKLAHOMA CITY, OK
- TYLER, TX
- KENEDY, TX
- DILLEY, TX
- MIDLAND, TX
- LAMESA, TX
- GREELEY, CO
- BELLAIRE, OH
- MORGANTOWN, WV

Visit our website at <http://www.ussilica.com/locations> to learn more about our locations.





## Do the **RIGHT THING**

The success of U.S. Silica is made possible by our deep roots and high standards. Since our founding over 100 years ago, we have consistently improved our operations to be even more efficient while maintaining our commitment to safety. Our forward looking strategy allows us to produce and transport high-quality industrial minerals to customers around the world and, most importantly, to continue to explore and achieve new goals for and with our customers, employees and communities.

As an industry leading performance materials company, we integrate environmentally conscious practices into multiple facets of our operations. Throughout this report we demonstrate the many ways we have come together as a company to ensure we are operating and serving our customers as efficiently as possible. As our world changes, so too does our business, and we remain focused on evolving our company to stay ahead of the curve while serving as environmental stewards in our communities and industry.

To us, being a responsible company goes beyond our sustainability commitments. We hold ourselves accountable to high standards and deliver a positive impact on those we are fortunate enough to call our colleagues, customers and communities.

We are motivated by our opportunity to shape not just the future of our business, but our industry and planet. We are proactive in our efforts to ensure we continue to operate with success today and well into the future.

# U.S. Silica BY THE NUMBERS

We value transparency and hold ourselves accountable to showcase our development. This information outlines our year-to-year progress and helps us identify opportunities for growth.

<b>RESPECT &amp; INTEGRITY</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018*</b>
Total Number of Employees	1,092	996	1,404	1,264	2,812
Employee Participation in 401k Plan	81%	83%	86%	88%	89%
Tuition Payments	\$147K	\$83K	\$43K	\$24K	\$49K
Average Service Years	9.6	11.0	10.2	8.4	7.2
Turnover Rate	11.5%	11.0%	12.0%	16.5%	35.9%**
<b>SAFETY</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018*</b>
Lost Time Incident Rate (per 200,000 work hours)	0.62	0.59	0.62	0.55	0.22
Total Reportable Incident Rate (per 200,000 work hours)	1.98	1.59	2.0	1.56	1.39
<b>COMMUNITY</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018*</b>
Greenhouse Gas (GHG) Emissions (CO2e metric tons)	329,115	315,769	311,466	365,212	469,363
GHG Emissions (lbs/ton of product sold)	70.0	69.2	69.1	57.8	58.0
Purchased Natural Gas (MMBTU/dried ton)	0.23	0.28	0.25	0.23	0.38
Purchased Fuel and Propane (gallons/sales ton)	0.44	0.55	0.70	0.51	0.56
Purchased Electricity (kWh/tons produced)	23.80	23.96	24.33	19.56	20.88
Net Sales	\$877M	\$643M	\$560M	\$1.2B	\$1.6B
Capital Expenditures	\$93M	\$54M	\$46M	\$385M	\$366M
Total Community Investment	\$228K	\$215K	\$100K	\$211K	\$312K

\*2018 reporting includes all EP Minerals sites from May 2018 acquisition.

\*\*Does not include trucking fleet turnover rate.



## Our Core **VALUES**

Every day across the country, we stand as one company whose shared values drive our decisions and our actions. These values unite us as colleagues but more importantly bind us with the people and the communities we all call home.

### **RESPECT**

We treat each other with respect and dignity.

### **SAFETY**

We ensure the safety of our people and the environment.

### **INTEGRITY**

We act with honesty and integrity.

### **COMMUNITY**

We operate in our communities as good neighbors.

2025

## **BOLD GOALS**

Every decision, at every level, can be traced back to our core values. We are constantly raising the bar to do what is best for our people, partners and planet – and we will continue to drive these values forward in the years to come.

## **RESPECT**

- Empower Employees to improve personal health and well-being
- Minimize GHG emissions by reducing fuel and electricity usage at our plants

## **SAFETY**

- Maintain industry leading EHS programs and manager development
- Secure cyber networks to protect employees, customers, and investors
- Achieve zero reportable and lost time incidents

## **INTEGRITY**

- Increase the number of sustainable product offerings
- Create an environment of inclusion across our organization and throughout our supply chain
- Protect air and water quality in and around our communities

## **COMMUNITY**

- Increase charitable donations to organizations that support our community
- Actively seek opportunities for volunteering and community engagement







## We are only as good as **THE PEOPLE** that define our company

Our employees are the heart of our business. Our success is owed to the incredible talent, dedication and integrity of U.S. Silica employees.

We are fortunate to share this journey together and we regularly celebrate our successes and examples of U.S. Silica's core values through five peer-to-peer awards.

- Thank You Awards – An easy way to show colleagues gratitude for going above and beyond in their work.
- Spot Awards – Recognition for demonstrating leadership or significant contributions to company projects.
- Rest and Relax Awards – Honoring those who've completed extensive projects often requiring long hours and weekend work.
- Good Neighbor Awards – Recognizing those who answer community needs or are heavily involved in their communities.
- Excellence Awards – U.S. Silica's highest award is presented to employees for significant achievements and successes.

We find that this positive recognition contributes to a culture that champions a strong work ethic and commitment to success that our customers have come to expect from us.

We  
**INVEST IN  
OUR PEOPLE,**  
just as they have  
invested in us

Our core values include acting with Honesty and Integrity – with our customers, our partners and our employees. We take pride in developing hardworking and committed employees who continue to give it their all year after year.

In 2017, we covered the tuition for 11 employees seeking undergraduate and advanced degrees, totaling \$24,296.81. In 2018, we more than doubled that number, reaching \$49,216.63 in tuition reimbursement for 13 employees.

We foster a culture of leadership and growth and encourage opportunities for employees to grow within the company. This commitment is demonstrated in the high-quality talent who join and remain part of our team.

From 2017-2018,  
**1,469 AWARDS**  
were presented to employees  
and over  
**\$692,307**  
was awarded to the recipients

In 2017, our employees' average service length was  
**8.42 YEARS**

## Employee Spotlight: Judith Apshago

Judith Apshago, U.S. Silica's VP & Chief Information Officer, was honored in November 2018 as Enterprise Capital CIO of the Year at the ORBIE Awards for her commitment to excellence in technology leadership. The Capital CIO Leadership Association event is attended by over 350 technology industry leaders and honors innovation and leadership in technology executives who impact their organizations and industries as well as the world around them.



We more than doubled our team in 2018, adding  
**1548 EMPLOYEES**  
across our company



The best preparation for  
**GOOD WORK TOMORROW**  
is to do  
**GOOD WORK TODAY**

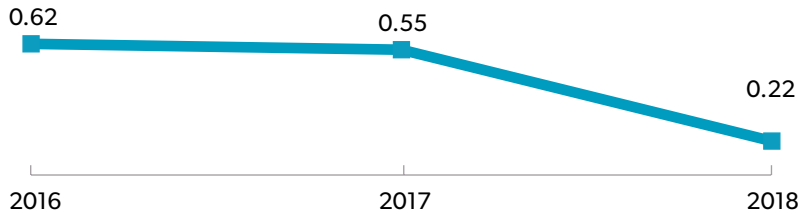
We center everything we do around protecting people, the environment and the communities in which we operate.

As our industry evolves, we've expanded our definition of safety to include not only the environment and our operations, but also our cyber networks and online programs.

Total Reportable Incident Rate



Lost Time Incident Rate



Being a good corporate citizen means taking our responsibility for the safety of our employees, our company and our communities seriously. Thanks to established workplace safety practices and an intense focus on operational excellence, our hardworking employees continue to prove their commitment to reduce the risk of workplace injuries.

**90%**  
of our mineral processing  
sites reported  
**ZERO LOST TIME**  
injuries in 2018

## EHS Management

In July 2018, we instituted the U.S. Silica Environmental, Health & Safety Management System to mainstream our operations and ensure that our core values are embedded throughout our business and further promote our culture of safety.

Each U.S. Silica plant has a dedicated team of EHS professionals to develop and implement programs that empower employees to incorporate emergency preparedness, environmental, health, and safety practices into their everyday work lives, while ensuring those values are exhibited in all areas of our operations.

U.S. Silica has established a monthly EHS alignment call with plant managers, EHS personnel and corporate leadership to provide a forum to share best practices, invite feedback and apply key lessons across our footprint.

The U.S. Silica network extends far and wide, and many hands contribute to the success of our EHS efforts. Whether it's adapting sustainable energy practices or facilitating safety training programs at our plants, we are striving to maintain the highest quality workplace environment for our employees, contractors, visitors and neighbors. Our EHS integration makes us the supplier of choice for our customers, providing them with the utmost confidence in our ability to safely serve them.



### The EHS Management Team

- Partners with operational leaders to ensure site accountability for our EHS culture
- Identifies prevention and compliance standards
- Measures and analyzes performance
- Drives compliance and accountability practices
- Leads performance improvement
- Manages climate related risks and opportunities
- Reports to company Board of Directors on a quarterly basis

# PROTECTING our data and yours

Technology advancements are critical to staying innovative, but they also require us to be smarter with how we store and use the data that drives our business. Our IT systems and cybersecurity efforts have been significantly enhanced and will remain a priority to protect the privacy of our employees, customers and other stakeholders.

## Investment

We've made significant investments to upgrade our infrastructure systems, recently completing phase 1 of a multiphase effort. Throughout 2017 and 2018, we invested around \$5M to upgrade and enhance our systems in order to improve system stability, availability, supportability, security and compliance. By retiring old systems and installing firewalls at all plants, access to our internal network is restricted, and our customers' information is protected from unauthorized access.

Incredible progress has been made and we look forward to continuing these efforts in the years ahead as we enter new phases. By enhancing our backup data systems, improving network infrastructure at all facilities and ensuring our data is as secure as possible we are improving our internal operations to enhance the overall employee and customer experience. As we look ahead, we've budgeted \$1.5M exclusively for use on security improvements in 2019.

**90%**

of customer transload orders are

**PROCESSED**

**ELECTRONICALLY**

## Oversight

With our company's continued growth comes an increased risk for security breaches. To keep us forward-focused, we established a dedicated in-house IT security team. This team provides ongoing monitoring and management of our security program, assesses risks and identifies top priorities for action. They also lead periodic vulnerability assessments to allow us to stay current on identifying and remediating any potential security risks.

In 2018, the Information Security Governance Committee was formed to provide oversight to the information systems security program and align security activities to the U.S. Silica business goals, effectively manage risks and ensure compliance.

## Training

As new systems are put in place, it is important that our employees know how to protect themselves from security risks. We've implemented regular company-wide and department-specific communications surrounding National Cybersecurity Awareness Month, quarterly security awareness emails and ad-hoc security alerts to keep our employees informed and educated when it comes to protecting data.

Whether it's protecting their work environment or avoiding scams, such as phishing on an individual level, training is essential. Building smart habits is a part of all our technology training and onboarding programs. For example, our PhishMe program trains employees on how to identify threatful emails and be proactive with managing and reporting them to IT security.

**100% OF  
EMPLOYEES  
PARTICIPATED**  
in our phishing training in 2018



It is in your hands to create a  
**BETTER WORLD**  
for all who live in it

At U.S. Silica, we actively seek new opportunities to reduce fuel, electricity and water usage at our plants and pilot new programs to engage in local conservation efforts and community initiatives.

Our primary goals are anchored on three of U.S. Silica's biggest environmental risks:

**1**  
Protect  
**AIR QUALITY**

**2**  
Reduce CO2 and  
**GHG EMISSIONS**

**3**  
**CONSERVE  
AND PRESERVE**  
water, energy and natural habitats

# 1 Protect AIR QUALITY

We are committed to protecting the air quality in and around the communities in which we operate. We recently built two new plants in West Texas located in Crane and Lamesa. These new facilities are equipped with pioneering, state-of-the-art dust suppression equipment that significantly reduces dust exposure, protecting the health of both our employees and surrounding communities.

This \$6.4 million investment affirms our commitment to environmentally conscious practices and we hope our industry partners will continue to follow our lead. As we continue to invest in our current operations and expand our footprint, we will actively seek new opportunities and technologies to enhance our air quality protection efforts.

We conduct voluntary air monitoring at every U.S. Silica site. Throughout 2017 and 2018, we collected:

**864** PERSONAL SAMPLES  
**512** AREA SAMPLES

These findings help guide our strategy in reducing dust exposure across our footprint.



## 2 Reduce CO2 and GHG EMISSIONS

We believe that climate change presents real risks for the communities where we work and live. In order to combat climate change, we have made decreasing greenhouse gas emissions across our operations one of our top priorities as a company, and we are proud of the incredible advancements that have been made across our plants and our fleet to continue these efforts. As part of our climate change policy, we continue to look for additional opportunities to minimize GHG emissions across our operations.

We've invested

**\$60,000**

at Sparta to decrease GHG emissions

Our Sparta, WI plant was just over five years old, yet we knew that rapid technology innovation could provide us a chance to be even more efficient with our processing equipment at the plant. That is why we contracted with an outside consulting firm to assess our facility and develop a program to make our dryers more efficient. That program was implemented and today, the sand at the Sparta plant is dried in a low-emissions manner, using clean-burning natural gas dryers.

With extremely low gas usage, the Sparta system is one of the most efficient systems in the U.S. Silica network. The success of this pilot effort is being translated to a plan for implementing this emission-free dryer technology across our footprint as we continue our efforts to decrease greenhouse gas emissions.

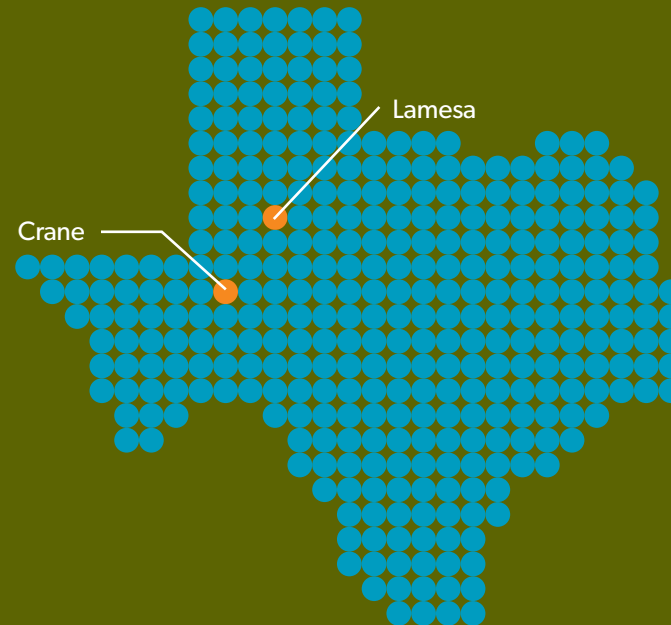
## We established two new facilities in West Texas to reduce our emission rates and carbon footprint

The majority of our oil and gas end-user customers operate in the Texas region. Until recently, the most viable shale basins for the oil and gas customers were located hundreds of miles north of Texas. Product, therefore, was required to endure significant transport distances from mine to wellhead. Over the past few years, U.S. Silica was among the leaders in forging opportunities closer to our customers, quickly establishing two facilities in West Texas and numerous storage silos in the region.

Our Crane and Lamesa plants are now located just a short distance (within 50 miles) from multiple customer points of

use. In addition to expediting our ability to deliver product and the significant reduction in transport costs, we have also greatly reduced our emission rates and carbon footprint. We have reduced the need to use rail transport upwards of 1,200 miles and eliminated long distance diesel truck use as well.

It is our aim to protect the air quality and environment around us and moving closer to our customers for efficient sand transport is a great way to achieve that progress.







## SandBox Logistics

In late 2016, U.S. Silica acquired SandBox Logistics LLC, introducing a revolutionary method of sand transportation. This new way of transport has been a key factor in our efforts to reduce gas emissions and diesel fumes, while also minimizing dust and sand leakage. With SandBox, U.S. Silica can offer more efficient, safe, and economical transport options for our customers.

Unloading time cut down from

**4 HOURS TO A FEW MINUTES**

With this method,

**WE SAVE ENOUGH DIESEL PER MONTH**

for a standard semi-truck to make the trip from Los Angeles to New York City over

**85 TIMES**

Exposure to crystalline silica reduced

**BY HALF**

**1.8 MILLION**

pounds of CO2 emissions reduced in 1 month

Each SandBox Gen 4 container can hold 25 tons of sand, a

**16.3% INCREASE**

from previous capacity restrictions

2017-2018 brought a 36% increase in SandBox fleet mileage. Due to this increase, estimated total fleet fuel use was:

**2017: 5,293,965**

**2018: 6,881,356**

## SandBox Logistics Process Overview

The SandBox solution makes the entire frac sand logistics chain cleaner, safer and more efficient – from the sand mine to the wellhead.

### Last mile delivery



#### Delivery

Because the SandBox solution uses fewer tractors and a lightweight chassis, proppant can be pre-delivered to the well site or staged until ready for use.



#### Wellhead

Proprietary SandBox containers are loaded by forklift onto a single cradle that delivers proppant directly to the blender hopper, resulting in smoother delivery and less dust in the air.

By expanding our capabilities with SandBox, we have improved the fleet fuel economy by reducing the need for excess diesel, lessening the amount of CO2 fumes produced via trucking and making unloading vastly more efficient.

# 3

## CONSERVE AND PRESERVE

### water, energy and natural habitats

#### Water Conservation Efforts in West Texas

Water is critical to our operations, which is why we closely monitor our usage and innovate our operations to introduce new recycling systems where possible.

We prioritize water conservation across all our facilities as a commitment to bettering our planet. In 2017, the teams at our new Crane and Lamesa plants developed new methods of water management and evaporation capture to save millions of gallons of water annually.

Crane and Lamesa use stockpile pads with concrete slabs while extracting sand. Excess water runs off the concrete slabs and is captured and recycled. We then use wet scrubbers, which capture the initial moisture from the product to be reused. This enables us to divert less water from natural resources by recycling. We call this method the “wet process.”

Not only do these efforts ensure the safety of our planet, but they have countless benefits in protecting the communities in which we operate.

- Protect the local drinking water resources
- Minimize water pollution and health risks
- Reduce the need for costly water treatment facilities
- Save energy used to treat water
- Maintain local aquatic environments

In 2018, our facilities in Crane and Lamesa, TX recycled

**1/3 OF WATER**

used through the wet process

In 2018, our total electrical power use was 1,286,742 MMBtu with 20% consumed from the grid. As we continue to advance our conservation efforts and shift toward renewable energy resources, we look forward to tracking our continued progress in the years to come.

#### Efficient Energy Use in Pacific, MO

Efficiency is vital to our business, and its impact is even more important to protecting our environment. To benefit both our employees and customers, we make it a priority to update our processes and technology as advancements become available in our industry. At our Pacific plant, we recently adopted a new technology – Variable Frequency Drives or VFDs. VFDs are a mechanism that keep motors running only at the speed needed. This technology allowed us to adjust the frequency and voltage supplied to the electric motor of our fans and pumps, responding to suit the operation.

We have seen tremendous benefits as a result of this investment and the positive impact this energy efficient technology has had on our operations as well as our planet.

The power saved by our use of VFDs is equivalent to the annual energy generated by **2,100 HOMES.**

## We are constantly improving our sustainability story.

We are fortunate to hold valuable relationships with a wide range of subject matter experts that counsel us to ensure we're operating at optimal efficiency. In 2018, our Mapleton plant reached out to the Pennsylvania Technical Assistance Program (PennTAP) to identify opportunities to further improve upon the sustainability of its operations. The consultation determined that reducing lighting costs and improving the efficiency of the sand drying system represented two primary opportunities to update the facility. U.S. Silica collaborated with the PennTAP team to introduce an energy efficient lighting plan and recommended the use of VFDs, in place of a damper system, to reduce the speed of the motor and airflow thereby saving energy. We look forward to applying key lessons from this partnership as we look to become even more efficient with our energy use companywide.

Completing both lighting and drying system updates at U.S. Silica's Mapleton plant resulted in a total annual savings of

**\$39,000**

in energy costs



## Ever heard of the Dune Sagebrush Lizard?

This rare and vulnerable lizard lives exclusively in southeast New Mexico and four counties of West Texas. This climate is ideal for the lizard because it relies on the region's shinnery oak trees for food and shade, and calls the cool, white sand dunes home.

As part of our biodiversity program, we partnered with The Texas Comptroller of Public Accounts, which oversees endangered species management, to develop the first Dune Sagebrush Lizard conservation plan to protect and respect the habitat of the West Texas reptile. This plan was aimed at preserving the habitat of these creatures and fostering an environment that will encourage species reproduction. Upon observing U.S. Silica's impact and influence in the first draft of this conservation plan, many oil and gas companies have taken steps with us to preserve the West Texas habitat as well. In 2018, we joined forces with the U.S. Fish & Wildlife Service to become a part of a new voluntary plan that has received broad support from other industry participants.

The U.S. Fish & Wildlife Service continues to progress this conservation plan. We are proud supporters and will continue to serve as industry leaders in helping drive these conservation efforts.



# GREAT THINGS

are done not by one but by many

Regardless of how long we have been part of the communities in which we operate, we are committed to serving as a good neighbor and actively seeking opportunities to volunteer and engage in community activities. We believe that part of being a good corporate citizen means doing what we can to give back locally and invest in the future of our communities.

We are grateful for the towns across the nation who have welcomed us as we've expanded our network. We recognize the importance of supporting local economies and we take our role as a local employer seriously. Across our footprint, we continue to hire locally and partner with local vendors.

U.S. Silica also believes it is in our interest to remain politically neutral in our communities and we have ingrained this culture in our Code of Business Conduct & Ethics for Employees (the "Code"). The Code prohibits company contributions to any political party or candidate, or for any referendum or initiative. While we may engage in dialogue with public policy decision makers, we do not use lobbyists or seek to bring about particular outcomes or decisions. We do pay regular dues to mining or other trade associations which may have lobbying activities, but we prohibit payments to trade associations over which our officers have control or influence.

In 2018, U.S. Silica paid member dues of \$5,000 or more to the following trade associations:

- Mining Association of South Carolina
- National Association of Corporate Directors
- Oklahoma Aggregates Association
- Wisconsin Industrial Sand Association
- Industrial Sand Producers of Texas
- International Diatomite Producer's Association

## Donating resources to keep our community safe

In 2018, U.S. Silica donated a total of \$20,000 to the local Fire and Police departments in the Crane and Lamesa communities. Of these gifts, \$5,000 was designated to Crane Police Department's annual Operation Blue Santa, which gives Christmas gifts to local children in the community. The remaining \$15,000 was given to both the Crane and Lamesa Fire Departments for the purchase of new and updated equipment, so they can continue to do their job to keep the community safe.

## Supporting preservation efforts of local landmarks

In the Maurice River Township in Maryland, the historic East Point Lighthouse is facing substantial erosion issues due to weather and rising sea levels. The lighthouse was originally constructed in 1849 and is now the last land-based lighthouse standing on the Delaware Bay. We recognized the significance of this iconic landmark and donated 3,000 pounds of sand to create sand dunes to protect the lighthouse from an impending storm while long-term solutions are investigated.

## Enhancing trail networks for community use

Sparta, WI is known as the Bicycling Capital of America, and as a member of the Sparta community, the local U.S. Silica plant is proud to support that reputation through land donation for bike paths, volunteer hours and additional financial investments.

In 2017, U.S. Silica worked closely with the town officials to fund a \$100,000 half-mile long connector trail. This trail helped increase access to Sparta's 32-mile network of bike paths, and also connects riders to three additional trails, totaling almost 100 miles of exploration for the young and old.

As our relationships within these communities continue to grow, we look forward to exploring new ways to expand our involvement through partnerships, supporting local economies and participating in community events.





Always  
**DELIVER MORE**  
than expected

We recognize that our success depends upon remaining innovative and finding new and creative ways to strengthen our business. We stay inspired by the opportunities that lie ahead of us and will continue our growth efforts to maintain our position of strength. In 2017 and 2018, we worked tirelessly to expand our footprint, forge partnerships to better serve our stakeholders and support companies who share our core values of doing what's best for our people, partners and planet.

## We are committed **TO GROWTH**

We expanded our footprint in 2017 with the construction of, and investment in, our new plants in Crane and Lamesa. These new facilities are located in West Texas, situated to serve the ever-growing Permian Basin, and are projected to annually produce approximately 10 million tons of product total. Construction of these plants was a \$375 million investment of the company and demonstrates our focus on ensuring stability and longevity well into the future.

The construction and investment of the Crane and Lamesa plants support U.S. Silica's plans to add **UP TO 10 MILLION TONS ANNUALLY** of new Greenfield capacity to meet our customers' demand.



We are actively seeking out like-minded partners to **REMAIN STRONG** for generations to come

## Mississippi Sand

We are focused on smart decisions that advance our operations and prepare us for continued future growth. In 2017, U.S. Silica acquired Mississippi Sand, LLC, a sand mining and logistics company located in Festus, Missouri, near our Pacific plant, which has some of the highest-quality sand in our portfolio. The plant has the capability of producing 1.2 million tons of fine grade sand, which is in the highest demand from customers.

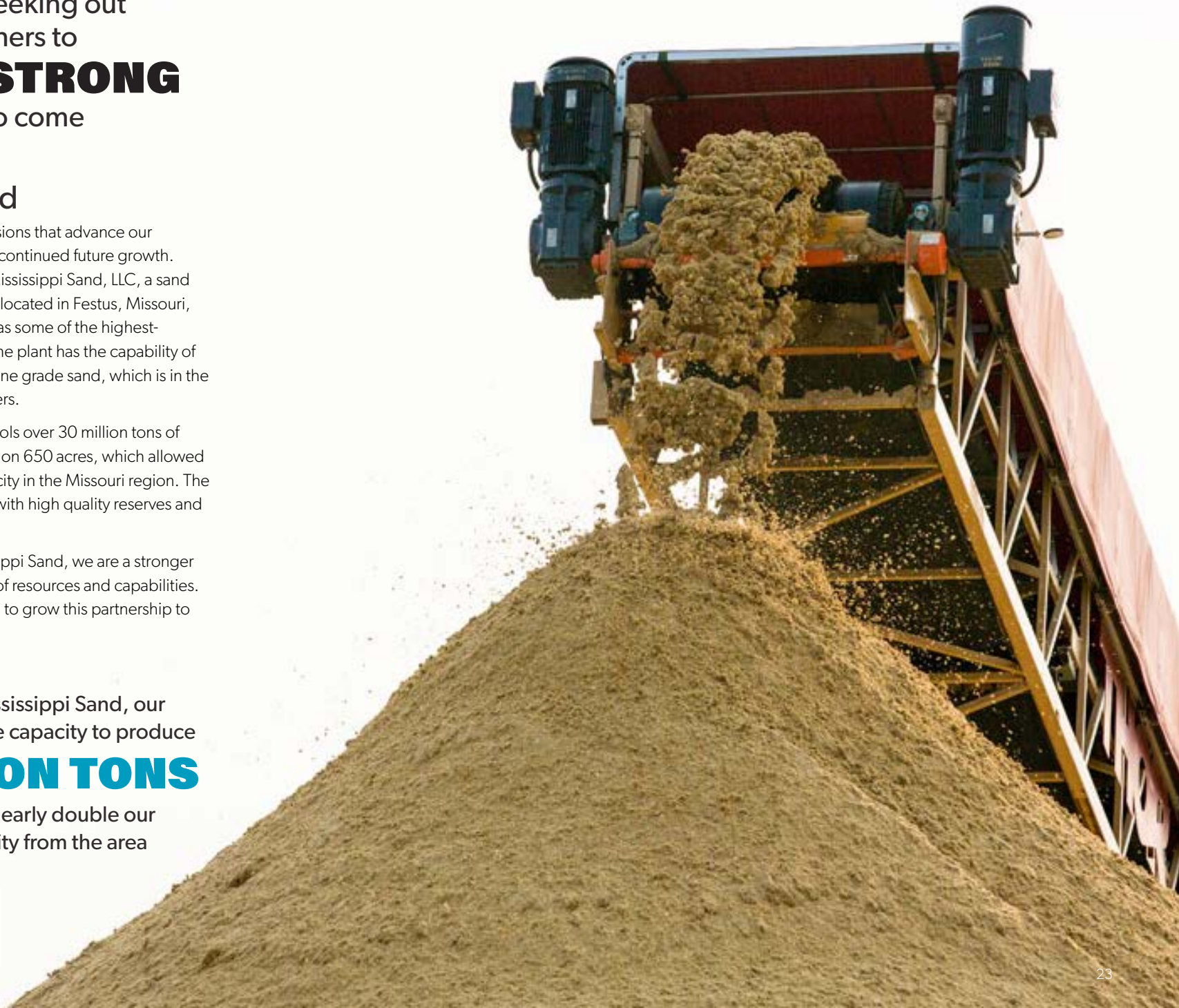
In total, Mississippi Sand controls over 30 million tons of high-quality frac sand reserves on 650 acres, which allowed U.S. Silica to double our capacity in the Missouri region. The facility as a whole is low-cost, with high quality reserves and top-notch logistics.

With the acquisition of Mississippi Sand, we are a stronger partner to our clients in terms of resources and capabilities. We look forward to continuing to grow this partnership to strengthen our business.

In partnership with Mississippi Sand, our Missouri region has the capacity to produce

**1.6 MILLION TONS**

of product each year, nearly double our previous annual capacity from the area







## Cool Roof Granules

Our team is always looking for opportunities to expand into new markets, with a focus on supporting our goal of increasing sustainable product offerings.

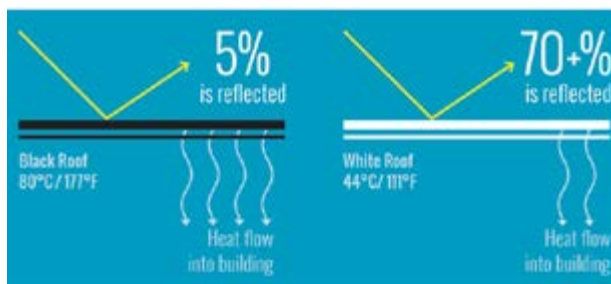
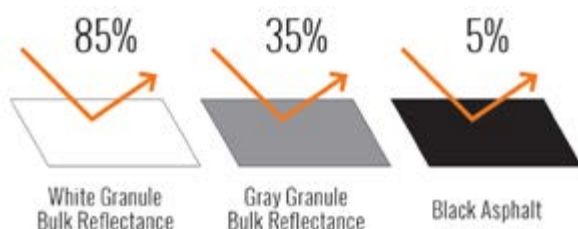
In 2017, U.S. Silica acquired a division of National Coatings Corp. that manufactures and distributes cool roof granules, a solar reflective product used in roofing systems. These granules reflect UV rays back into the atmosphere, lowering the temperature of the roof and keeping the building cooler.

This is a significant advancement for larger cities, where buildings can contribute to what is referred to as the urban heat island effect. With large warehouses, hospitals, government buildings and schools so close together, flat,

black roofs reach extreme heat and can raise the temperature of a city by several degrees.

Cool roof granules are white instead of black, which helps buildings absorb less heat, resulting in decreased energy usage and lower energy costs by using less air conditioning. As more ordinances are passed requiring new roofing systems to be replaced with cool roof options, we see a lot of growth in this product. Cool roof granules offer customers a unique potential benefit by reducing energy usage while also enhancing the durability of the roof, and we look forward to continuing our work in this market.

Roofs can reach temperatures up to 170 degrees. Cool roofs help **REDUCE TEMPERATURES BY UP TO 85%** and allow less heat to flow into the building.



## EP Minerals

In 2018, U.S. Silica acquired EP Minerals, a global producer of engineered materials derived from industrial minerals. EP Minerals brings the promise of growth opportunities and offers value to our customers by adding higher-margin products into our mix.

Just as important, EP Minerals shares our commitment to do what is best for our planet and has its extensive sustainability program focused on improving their environmental, economic and social footprints.

EP Minerals is active in recycling and compost efforts, operation efficiencies and environmental health and safety for its employees and communities. EP Minerals recently completed a study with James Hardie, Inc. – an international industrial building materials company – to determine partnership opportunities to reduce their environmental footprint. Together, the companies evaluated their water usage and developed a solution for water reuse at the EP Minerals Clark mine. Today, waste water from James Hardie is reused for dust suppression efforts at the Clark Mine instead of being transported to a water treatment facility. This has resulted in a significant reduction of transport miles and CO2 emissions and has eliminated the need for the Clark mine to use fresh water for dust suppression.

We are pleased to add a like-minded partner to our portfolio and are proud to support EP Minerals' efforts to go above and beyond by adopting creative and collaborative solutions to efficiency hurdles.

Products produced by EP Minerals can be used as filter aids, absorbents and functional additives in a variety of industries, including:

- Food and Beverage
- Biofuels
- Recreational Water
- Oil and Gas
- Farm and Home
- Landscape
- Sports Turf
- Paint
- Plastics
- Insecticides

Thanks to recycling efforts and efficient operations at the Clark mine, we're able to

**REDUCE OUR CO2 EMISSIONS BY 2 TONS**

with every ton of waste diverted from landfills.





## We are taking steps toward a **BRIGHTER TOMORROW**

2017 and 2018 were pivotal years for us, adapting to new and innovative technologies, expanding our product and service offerings and updating infrastructure to keep us at the forefront of our industries. As we look toward the future, we remain focused on preserving, protecting and enhancing the world we live and work in every day.

We challenge ourselves to build upon our previous efforts, going above and beyond as we strive to meet our annual goals, increase our sustainability efforts, support and invest in our local economies and treat our expansive network of employees and partners with integrity and respect.

As industry leaders, we are committed to setting an example for how to be a good corporate citizen. In 2019, we look forward to continued innovation and advancement in our operations as we progress further toward our goals.

# 2019 TARGETS

## RESPECT

We treat each other with respect and dignity.

2025 BOLD GOAL	2019 TARGET
Empower employees to improve personal health and well-being	<ul style="list-style-type: none"> <li>Promote tobacco-free initiative through companywide emails and internal newsletter</li> <li>Achieve 100% participation from plant level employees in the medical screening program</li> <li>Expand the Great Place to Work initiative to include more sites</li> </ul>
Minimize GHG emissions by reducing fuel and electricity usage at our plants	<ul style="list-style-type: none"> <li>Reduce drier fuel usage by 5% MMBtu/ton</li> <li>Develop plans for each facility to reduce electricity usage</li> <li>Decrease SandBox fleet fuel usage by 9% per ton hauled</li> <li>Reduce overall GHG emissions by 1% per ton of product sold</li> </ul>

## INTEGRITY

We act with honesty and integrity.

2025 BOLD GOAL	2019 TARGET
Increase the number of sustainable product offerings	<ul style="list-style-type: none"> <li>More than double the amount of products offered in 2018</li> <li>Increase spend on development of sustainable product offerings</li> </ul>
Create an environment of inclusion across our organization and throughout our supply chain	<ul style="list-style-type: none"> <li>Advocate for supplier diversity and build relationships with minority and women owned businesses. Increase the number of these businesses in our supply chain year-over-year</li> <li>Promote diversity, inclusion and equal employment opportunity by evaluating and promoting employees based on skills and performance alone</li> <li>Actively recruit talented people from different backgrounds and experiences that reflect the many communities in which we live and work. Foster the growth of a gender-diverse workforce that represents a variety of racial, ethnic and cultural backgrounds</li> </ul>
Protect air and water quality in and around our communities	<ul style="list-style-type: none"> <li>Ensure companywide compliance with new OSHA respirable silica standard</li> <li>Achieve zero unauthorized water discharges at all facilities</li> <li>Achieve zero authorized discharges over permitted thresholds at all facilities</li> </ul>

# 2019 TARGETS

## SAFETY

We ensure the safety of our people and the environment.

2025 BOLD GOAL	2019 TARGET
Industry leading EHS programs and manager development	<ul style="list-style-type: none"> <li>Provide more than 1,000 cumulative hours of Core Values Belief Based Training for managers, supervisors, and key personnel</li> <li>Provide more than 250 hours of cumulative annual training in operational excellence and safety/MSHA standards for plant-based managers and supervisors</li> <li>Provide more than 600 cumulative hours of annual developmental training and continuing education for EHS personnel to upskill employees and increase utilization of EHSMS</li> </ul>
Secure cyber networks to protect employees, customers and other stakeholders	<ul style="list-style-type: none"> <li>100% of connected employees to receive annual security awareness training</li> <li>Implement or enhance 5 new security features</li> <li>Triple investment dollars spent in 2018 in IT systems security</li> <li>Zero major cyber security breaches that cause loss of sensitive data</li> </ul>
Achieve zero reportable and lost time incidents	<ul style="list-style-type: none"> <li>Achieve MSHA/OSHA reportable rate of 1.10</li> <li>Achieve annual lost time rate of 0.25</li> <li>Conduct 12 hours of safety training per field employee annually at each facility</li> </ul>

## COMMUNITY

We operate in our communities as good neighbors.

2025 BOLD GOAL	2019 TARGET
Increase charitable donations to organizations that support our community	<ul style="list-style-type: none"> <li>Increase in kind charitable contributions</li> <li>Identify a flagship philanthropic effort to support the community in each company location</li> </ul>
Actively seek opportunities for volunteering and community engagement	<ul style="list-style-type: none"> <li>Assess and quantify community engagement and volunteerism companywide</li> <li>Each location to identify an organization to partner with annually on volunteer efforts</li> </ul>



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