



BUILDING BETTER TOGETHER



**2019 CORPORATE
RESPONSIBILITY REPORT**

TABLE OF CONTENTS



2 A MESSAGE FROM OUR CEO



3 OUR LOCATIONS



4 BY THE NUMBERS



5 OUR CORE VALUES & BOLD GOALS



7 WE'RE BUILDING A BRIGHTER FUTURE



8 BUILDING BETTER



15 BUILDING SMARTER



29 BUILDING TOGETHER



36 2020 GOALS



BUILDING BETTER TOGETHER

A MESSAGE FROM OUR CEO

We have high standards at U.S. Silica. As a global company with a 100-year track record, we have grown and expanded considerably while maintaining a strong commitment to our values and people. We take great pride in leading by example to preserve, protect and enhance our world to step towards a brighter tomorrow.

As an industrial minerals and logistics leader, we're constantly innovating to stay ahead of the curve while serving as environmental stewards in our communities and industry. We prioritize doing the right thing for our people and our planet, while identifying new opportunities to cost effectively deliver over 1,500 products to customers across our end markets.

Throughout this report, you will see our commitment to building a stronger company and a brighter future – together. Both as a company across our footprint and united with our communities. We made significant investments in 2019 by hosting company-wide training and workshops to further incorporate strong core values into our everyday operations. As we look towards the future, we will continue to make strategic investments that protect our employees' safety and ensure best-in-class customer service.

We will **prioritize free cash flow** to further strengthen our balance sheet and we will continue to focus on creating efficiencies and reducing costs wherever possible.

We will focus on **repositioning our Oil & Gas** business and effectively deploying our capacity, supply chain network and logistics capability to better serve customers. We'll accomplish this by streamlining our energy footprint while significantly reducing costs.




We remain committed to **growing our industrial business** by continuing to develop new products and pursuing new markets. We have several exciting products under development that are expected to drive significant growth in profitability in the coming years.

We look forward to what the future brings and will continue to lead our industry and share our journey in full transparency during the years ahead. To our colleagues, customers, partners and investors: thanks for being part of the journey.

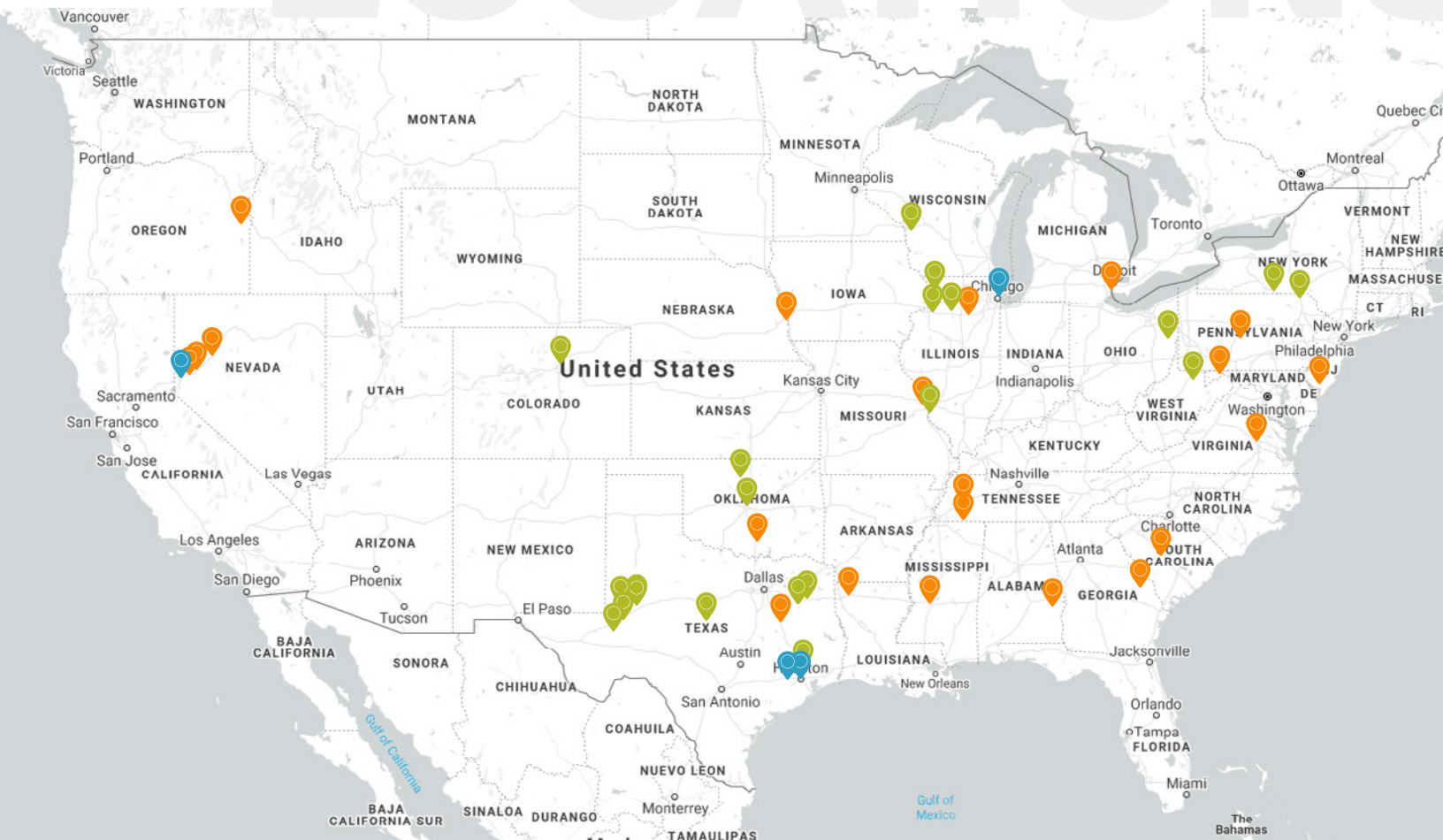
Bryan A. Shinn
CEO



OUR LOCATIONS

-  Industry & Specialty Minerals
-  Oil & Gas Operations
-  Corporate Offices

LOCATIONS



BY THE NUMBERS

Transparency means holding ourselves accountable regarding our progress and boldly identifying opportunities for improvement. This information highlights our year-over-year journey.

| RESPECT & INTEGRITY | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|---------|---------|---------|---------|---------|
| Total Employees | 996 | 1,404 | 1,264 | 2,812 | 2,190 |
| Employee Participation in 401k Plan | 83% | 86% | 88% | 89% | 84% |
| Tuition Payments | \$83K | \$43K | \$24K | \$49K | \$50K |
| Average Service Years | 11.0 | 10.2 | 8.4 | 7.2 | 7.1 |
| Turnover Rate | 11.0% | 12.0% | 16.5% | 35.9%* | 28.1%* |
| SAFETY | 2015 | 2016 | 2017 | 2018 | 2019 |
| Lost Time Incident Rate (per 200,000 work hours) | 0.59 | 0.63 | 0.55 | 0.22 | 0.18 |
| Total Reportable Incident Rate (per 200,000 work hours) | 1.59 | 2.0 | 1.56 | 1.39 | 0.86 |
| COMMUNITY | 2015 | 2016 | 2017 | 2018 | 2019 |
| Greenhouse Gas (GHG) Emissions (CO ₂ e metric tons) | 315,769 | 311,466 | 365,212 | 469,363 | 438,026 |
| GHG Emissions (lbs/ton of product sold) | 69.2 | 69.1 | 57.8 | 58.0 | 52.1 |
| Purchased Natural Gas (MMBTU/dried ton) | 0.28 | 0.25 | 0.23 | 0.38 | 0.44 |
| Purchased Fuel and Propane (gallons/sales ton) | 0.55 | 0.70 | 0.51 | 0.56 | 0.39 |
| Purchased Electricity (kWH/tons produced) | 23.96 | 24.33 | 19.56 | 20.88 | 20.55 |
| Net Sales | \$643M | \$560M | \$1.2B | \$1.6B | \$1.5B |
| Capital Expenditures | \$54M | \$46M | \$385M | \$366M | \$118M |
| Total Community Investment | \$215K | \$100K | \$211K | \$312K | \$273K |

*Does not include trucking fleet

OUR CORE VALUES

Across our footprint we are united by simple yet powerful core values that drive our business decisions and define our culture. While industry evolutions are continual, our core identity remains consistent.



Respect

We treat each other with respect and dignity.



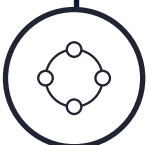
Safety

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

We are always looking forward, evaluating our progress and identifying new avenues to pursue smart growth. Our bold goals present us with numerous opportunities for improvement to maintain our position as an industrial minerals and logistics leader for centuries 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 our employees, customers and investors
- Achieve zero reportable and lost time incidents



Integrity

- Increase the number of our 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'RE BUILDING

A BRIGHTER FUTURE

To us, being a responsible company means looking beyond our operations and our communities to make a positive impact.



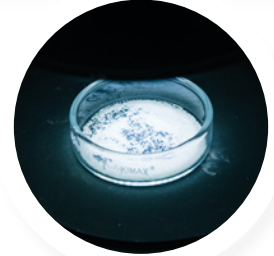
Building better.

It means leading with bold decisions to protect our planet.



Building smarter.

It means breaking down barriers to drive positive change both inside our company and across our industry.



Building together.

It means collaborating on impactful opportunities to enhance our business, our industry and our planet today and well into the future.





Building better.

BECAUSE IT'S THE RIGHT THING TO DO

Guided by our core values, we are always looking for new opportunities to enhance our environmental conservation efforts and leverage our broad footprint to make a positive impact. We are proud of the investments we have made and will continue seeking innovative ways to preserve, protect and enrich our planet.



LEED CERTIFIED

It's important to us that our new corporate headquarters in Katy, Texas is housed in a LEED certified building by the U.S. Green Building Council.

Across our communities, our work is guided by U.S. Silica's biggest environmental opportunities:



**Protect
Air Quality**



**Reduce CO2
and GHG
Emissions**



**Conserve and
Preserve Water,
Energy and
Natural Habitats**





BUILDING BETTER

PROTECT AIR QUALITY

SandBox Logistics, a U.S. Silica company, offers an innovative logistics solution that focuses on operational efficiency by evolving its products and technologies to protect the air quality in and around jobsites.

In 2019, SandBox developed the Sand-Stand, a solar powered gravity delivery system for frac proppant, which not only reduces the consumption of fuel by replacing diesel powered hydraulically driven systems, but further reduces employee exposure to respirable crystalline silica dust.

The Sand-Stand is an innovative solution that allows us to increase efficiency while protecting our environment.

Battery-powered, fueled by solar energy

The sand-stand operates off solar power which reduces the need for fossil fuel consumption by 100%

Increases environmental and operational efficiency by minimizing fuel use and in-field personnel

Contributes to a safer workplace environment by reducing respirable silica dust exposure



Our strategic partnerships allow us to protect air quality in related operations.

In 2019, SandBox partnered with an oil and gas company looking to optimize their operations and become more efficient in their efforts to protect air quality. SandBox developed a new piece of equipment – called the **Gen 3 Dragon Tail** – which serves as a dust collection hood that fits on their existing operational devices to reduce silica dust exposure and spillage. Through investments in product development and engineering, we're able to extend our air quality protection efforts to our customers' operations and our employees, ultimately amplifying a positive impact on our people and the environment.



BUILDING BETTER

REDUCE CO2 AND GHG EMISSIONS

Combatting climate change is a shared responsibility and we take careful consideration to do what we can to respect and protect our communities. We annually review both our climate change policy and our business operations to identify new opportunities to reduce CO2 and greenhouse gas emissions.

In 2019 we decreased GHG emissions across our footprint by **13.3%**

Innovating Our Transportation Methods

In 2019, SandBox developed two new transload containers with increased capacity which allow for the use of fewer containers and increased efficiency in transportation.



SandBox Gen 2.1

was developed using recycled and repurposed parts of old transload containers, increasing the box height by 10 inches and maximum capacity by 65 cubic feet.



SandBox Gen 4

also introduced last year, provides a 17% increase over its previous capacity. Each new SandBox Gen 4 container means one less truck for every six loads of sand we transport.

By increasing container capacity, we are reducing the total number of containers per load. With fewer containers, we are able to improve our fleet fuel economy by reducing the number of trucks needed to service our customers. As a result, SandBox is significantly decreasing its CO2 and greenhouse gas emissions.



BUILDING BETTER

CONSERVE & PRESERVE WATER, ENERGY & NATURAL HABITATS

Enhancing our Water Conservation Efforts in Berkeley Springs, WV

Water is a critical component in our mining process, which is why we prioritize water conservation and recycling efforts. At the Berkeley Springs plant in West Virginia, we invested capital to improve our overflow pond and restore capacity for future storm water runoff.

In 2019, we also installed monitoring and automation equipment to increase the efficiency of our process water runoff. These innovations included:

Level indicators and automated valves to control water levels and feed rates without human interaction

Cameras that enable plant personnel ongoing monitoring of multiple process conditions remotely from central locations

As a result, Berkeley Springs process water was

100%

contained, preserving the overflow pond capacity for excessive rain events and emergency use only.

For additional protection, turbidity curtains were installed to prevent sediment buildup in the overflow ponds from reaching the local waterway. While unlikely, this important investment is an added measure to protect local water resources in our community.



The automation and monitoring together with the turbidity curtains have significantly reduced our water usage and improved our discharging process, all of which support our overall water conservation goals.

We invested
\$436K
at the Berkeley
Springs plant to
enhance our water
conservation efforts

Our improved ability to
recycle and clean our
own process water
has reduced water
consumption by
75%

Identifying new environmentally-sound solutions to protect our future

When we acquired a processing plant in Jackson, Mississippi, we made a conscious decision to improve waste water disposal efforts. We care about the future of the communities where we live, work and derive our products, which is why we set out to find a solution that benefits both our community and our business.

As part of a \$5.5M investment, we installed two half-million-gallon tanks to contain wastewater, eliminating the need for the wastewater pond.

This unique investment at Jackson allows us to ensure a safer, cleaner process.



With the addition of wastewater
tanks, the Jackson plant reduced
water consumption by
37M gallons
annually



BUILDING BETTER

INCREASED ENERGY EFFICIENCY IN LOVELOCK, NV

Creating efficiencies across our footprint is a critical part of our innovation story. In 2019, we committed to the ongoing transition of the electric infrastructure at our plant in Lovelock, Nevada and proposed a capital project to upgrade many of our worksites to LED lighting fixtures. The effort resulted in significant environmental benefits – by replacing defective photocells with lighting timers that automatically turn off lights at dawn every day to save energy – and helped to protect the safety of our employees to ensure proper lighting throughout our plant.

Through electrical infrastructure upgrades and introducing VFDs at our Lovelock plant, we're able to be more efficient in our energy use.



1,005,000
kilowatt hours
saved per year



That's enough to
power approximately
100 homes
for a full year

To further enhance energy efficiency at our Lovelock plant, we adopted the use of Variable Frequency Drives (VFD), which we've already implemented at several of our plants with great success. VFDs allow us to keep the motors on our electric fans and pumps running only at the speed needed for the task at hand, resulting in significant energy cost savings and greatly reducing our carbon footprint.

We fulfilled our 2019 goal of establishing a plan at every U.S. Silica facility to

reduce electricity usage



Exploring new opportunities for water conservation

At our West Texas plants, we identified a new way to enhance our sand drying process while also increasing our water recovery efforts. The concrete drainage pads weren't allowing wet sand to fully drain after the washing process, so we installed new gravel pads with drains underneath. After a successful trial run at the Crane plant, the new drain pads were installed at the Lamesa plant. This new innovation allows moisture to filter farther through the gravel and into the drainage system. As a result, we are able to recover even more clean water to be recycled.

The
\$2.8M
investment in new drain
pads resulted in a
35%
reduction in
water usage





Building smarter.

IT'S ABOUT ALL OF US

In 2019, we expanded our social impact initiatives to drive change and promote our core values. We continued to grow our company with unique and diverse perspectives, offer new training and professional development programs for our employees, refresh our industry-leading Environmental, Health and Safety initiatives and implement new ways to support our communities to ensure we're building smarter.

Our employees are true ambassadors of U.S. Silica's culture, and our commitment to uphold our core values both across our operations and within our communities is stronger than ever.

As we look towards the next 100 years, we will continue to embrace change and commit to socially responsible decisions that generate positive impacts for our people and our planet.



Diverse minds bring fresh perspectives, new ideas and business solutions.

In 2019 we continued to foster a culture of diversity and inclusion across our organization and throughout our supply chain. We are fortunate to have a strong female presence on our leadership team, and these talented women bring skills that improve our company culture and performance.

We welcomed two new leaders to our management team – Stacy Russell joined us in 2019 and was quickly promoted to Senior Vice President and General Counsel, and Lynnette Crowder joined us as Senior Vice President and Chief Human Resources Officer. We also appointed Bonnie Lind to U.S. Silica’s Board of Directors. Each of these women offers a unique perspective and invaluable insight as we seek new opportunities to create and deliver shareholder value.



Stacy Russell
Senior Vice President,
General Counsel



Lynnette Crowder
Senior Vice President,
Chief Human Resources Officer



Bonnie C. Lind
Board of Directors

The following women were promoted to Vice President in 2019:



Jennifer Jarboe
Vice President,
HR and Talent Acquisition



Robin Meister
Vice President,
Internal Audit



Allison Stadnick
Vice President,
Supply Chain

**2019
Hiring**

Hourly Hires
52%
minority

Salary Hires
42%
female

Overall Hires
46%
minority

30% of EHS personnel across U.S. Silica are female and/or minority populations

THE ENERGY, CREATIVITY AND DEDICATION OF OUR EMPLOYEES KEEPS US GROWING



Lynnette Crowder, U.S. Silica Senior Vice President and Chief Human Resources Officer, shares her perspective on the value of U.S. Silica continuing to promote diversity, inclusion and equal employment opportunities across its footprint.

Q: What is U.S. Silica doing to foster a diverse and inclusive workplace?

A: We continue to challenge and encourage leadership to create paths for our future leaders. Developing both formal and informal mentoring relationships is an important part of our work and benefits both the mentee and mentor. We have strong talent from unique backgrounds at U.S. Silica and are leveraging and investing in that to promote diverse leadership.

Q: What have you learned about leadership and mentoring other women?

A: I am an engineer by trade, which is a field dominated by males. Over the years I've seen the pressures that women, and others, face in environments where they don't feel they can bring their 'whole' self to their work. These experiences have influenced my leadership style to ensure everyone feels they have a seat at the table.

Q: How important is diversity and inclusion in an organization's success?

A: Without diversity, our company's potential is limited. An emphasis on diversity and inclusion allows us to improve employee engagement and retention, enhance communications and increase the Company's profitability. Supporting a variety of perspectives is paramount to U.S. Silica's success and our senior leadership team is committed to these efforts.

“ *A company where everyone feels they can be a part of the conversation is one that excels versus its competitors – creating that sense of belonging and trust is important to us and to our future.* ”

We're a values-driven company that believes in treating people right.

The talent, innovation and integrity our employees bring to U.S. Silica every day is what keeps us growing, and we believe that hard work should be rewarded. Our five peer-to-peer awards are presented to team members who exemplify the company's core values through their strong work ethic.

In 2019, **1,728** awards were presented to employees, and **\$585,776** was awarded to our employees for their hard work.

1,128

Thank You Awards



A way to show colleagues gratitude for going above and beyond in their work.

569

Spot Awards



Recognition for demonstrating leadership or significant contributions to company projects.

8

Rest & Relax Awards



Honoring those who've completed extensive projects, often requiring long hours and weekend work.

7

Good Neighbor Awards



Recognizing those who answer community needs or are heavily involved in their communities.

16

Excellence Awards



U.S. Silica's highest award is presented to employees for significant achievements and successes.



In 2019, we focused on investing in our workforce, covering the tuition for **13** employees seeking undergraduate and advanced degrees.

We're proud to support those who take advantage of opportunities to build their skills and grow within the company.

As our team grows larger, our commitment to our core values has only grown stronger.

Through consistent training and partnerships with industry leaders like Smith Mason & Co, our commitment to our core values is stronger than ever. Our internal EHS Leadership Awards program recognizes and rewards operations across all four business units that reflect a strong commitment to our core values, and that exhibit exemplary performance and leadership in Environmental, Health and Safety practices.

U.S. Silica 2019 EHS Leadership Award Winners

Oil & Gas

Sparta, WI

Performance Materials

Millen, GA
Lovelock, NV

SandBox

Northeast District
Operations

Specialty Materials

Dubberly, LA
Jackson, TN
Middleton, TN



SandBox NE Operations

was the recipient of the 2019 CEO's Choice Award, as voted by U.S. Silica's Senior Leadership Team. Each business unit submits a candidate for this award, detailing EHS leadership, innovation and continuous safety improvement.

Every employee contributes to the success of the team, the plant, and the company, but our success means nothing if we fail to achieve it safely. The following Lovelock employees were awarded Individual Safety Awards by the Nevada Mining Association for going above and beyond in their commitment to plant safety:



Jack Phillips
Maintenance Mechanic

Chris Ruprecht
Plant Shift Supervisor

Don Childs
Load & Haul Supervisor

Improving our operations begins with us.

Between safety training, continued education and the implementation of LinkedIn training courses, U.S. Silica employees never stop improving. We operate in an industry that's always evolving, which is why we've implemented a variety of core values based training resources to keep our team sharp.

12,000+

cumulative hours of Core Values Belief-Based Training for managers, supervisors, and key personnel

2,600+

cumulative hours of annual developmental training and continuing education for EHS personnel to upskill employees and increase utilization of EHSMS

500+

cumulative hours of annual training in operational excellence and safety/MSHA standards for plant-based managers and supervisors

INCREASING AWARENESS, ALIGNMENT AND ACCOUNTABILITY

Embedding our core values into everyday operations

In 2019, we partnered with Smith Mason & Co, a global organization that provides training courses and specialty programs worldwide, to host belief-based safety workshops throughout the year, customized to reflect our own core values of Respect, Safety, Integrity and Community. While behavior-based safety is a common approach in the Environmental, Health and Safety world, we took a more thoughtful belief-based approach to understand how we can effectively identify, discuss and apply the skills necessary to incorporate our core values to enhance our company culture.

The safety workshops were attended by **more than 2,000 U.S. Silica employees** who participated in strategic action planning, behavioral exercises and communication techniques to instill a safety leadership mindset across all functions of our operations. By encouraging greater employee involvement in safety leadership programs, we're able to maintain the safest possible workplace environment for our people and our partners.

In 2019, we reduced our total reportable incident rate by

38%

Environmental, Health & Safety Team Summit

Across our footprint, we have a dedicated team of EHS professionals to develop, implement and oversee programs that empower employees to incorporate emergency preparedness, environmental, health and safety practices into their everyday work lives, while ensuring our commitment to safety is prioritized across all areas of our operations.

The wealth of expertise and on-the-ground insight of our EHS team ensures we're operating at peak performance. In October 2019, we hosted a three-day summit with cross-country, and cross-functional participation to discuss best practices and experiences, updates to programs and processes, and efficient solutions to improve our safety preparedness, compliance and accountability practices.

Nearly 100%
of attendees reported that the EHS Summit offered new solutions to increase their workplace efficiency

Our relationships are built on trust – and it’s up to us to maintain that sense of security.

We prioritize cybersecurity initiatives to improve digital safety across all functions of our operations. Last year we completed a full overhaul of our cybersecurity programming to ensure our customers’ data, and our internal data, is strongly protected. By implementing a new management tool, InsightIDR, to detect and respond to threats, adopting a new vulnerability management solution, partnering with an outside firm to conduct penetration testing on all outside-facing systems, and assessing our email system, we made cybersecurity at U.S. Silica stronger than ever before.

Cybersecurity Pillars



By leading regular training programs, security awareness videos and simulations, we’re teaching our employees that **company-wide cybersecurity is everyone’s responsibility.**

Phishing Simulation

Thousands of emails are exchanged daily, making it easy to fall into the trap of phishing scams. In 2019 we kicked off a weekly phishing simulation to test employees and train them to spot a scam. We’ve successfully trained our team to identify these threats. We are proud of the success of this program – we ended 2019 with a better failure rate than the industry average.

76%

of employees changed something in their daily lives after viewing monthly cybersecurity training videos

195k

Average number of phishing, spam and other malicious emails blocked by U.S. Silica security systems each month

WHEN EXPECTATIONS ARE HIGH, PARTNERING WITH THE BEST MATTERS

In 2019 we implemented the BROWZ system, a contractor prequalification and management program. BROWZ allows us to immediately confirm that our contractors have provided necessary insurance and license documentation and that they are meeting industry safety requirements before we contract with them. The BROWZ system serves as a platform to access ratings and alerts employees of any outstanding issues with a contractor, confirming they are approved for use.



Optimizing our operations for employee safety

In 2019, we partnered with the National Institute for Occupational Safety and Health (NIOSH) to use helmet cameras and wearable instantaneous dust monitors to help us proactively identify unexpected dust sources and implement a solution.

Routine Sampling

Each year, we bring in MSHA instructors to train EHS employees on how to conduct industrial hygiene sampling for both dust and noise exposure. Each plant is required to outline their own sampling schedule, and all results go into our central database so we can easily identify any exposure concerns.

Ensuring Top of the Line Environmental Management Practices

In 2019, we took a holistic look at our Environmental Quality Management Program (EQMP) and identified opportunities to refresh the 20 different programs to ensure we're leveraging the best environmental management practices across all of U.S. Silica.

First instituted in 1988, the 2019 EQMP refresh focused on simplifying program details while providing clearer guidance, direction and best practices on standard operating procedures. We rolled out the updated EQMP at the EHS Summit in October 2019 and armed the team with e-copies and training manuals to educate their colleagues at their respective U.S. Silica facilities.

Throughout 2019 we continued our monthly EHS alignment calls with plant managers, EHS personnel and corporate leadership, which resulted in nearly **900 hours** of operational excellence and safety training.

EHS Training Webinars

To ensure all employees are well-versed in safety and health regulations, attorney and former mining company executive Michael Peelish held quarterly training and development webinars throughout 2019 to educate operations and safety and health managers on their supervisory rights and responsibilities as it relates to Occupational Safety and Health Administration (OSHA) and Mine Safety and Health Administration (MSHA) guidelines resulting in **60 hours** of cumulative training.

We take great pride in our position as a good corporate citizen and stay up-to-date on OSHA and MSHA regulations and practices. We've incorporated these webinars as part of our onboarding process to proactively address regulatory responsibilities in employees' day-to-day performance, and to ensure our core values are embedded into everything we do.



Our size, scale and access to resources means that we have a responsibility to give back in big ways.



In the United States, human trafficking has been reported in all 50 states and the number of victims is estimated to be in the hundreds of thousands. With over 100 trucks in our fleet we understand that our most substantial human rights risk is human trafficking. Therefore, in 2019, we joined the Truckers Against Trafficking organization to take a stand for human rights, serving as the eyes and ears of our nation's highways to fight to close loopholes to traffickers.

This program is integrated into our onboarding and orientation processes and reminders are communicated regularly across our organization. Educational resources and materials are available to ensure our people are informed on the basic issues involved in human trafficking and understand how to help combat this crime.



Truckers Against Trafficking is a nonprofit organization that trains truck drivers to recognize and report instances of human trafficking. Since forming in 2009, the organization has made a significant impact in the industry:



845,115

industry professionals have registered as TAT trained



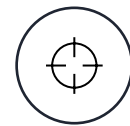
2,496

calls have been made to the National Hotline by Truckers



663

likely cases generated and flagged



1,230

victims identified





While the oil and gas industry in West Texas presents many economic benefits for the region – it is not without its safety concerns. Last year, we became a sponsor of the Permian Road Safety Coalition to partner with 200+ oil and natural gas operators, service companies, trucking companies, government agencies, and non-government organizations to leverage expertise and share best practices, collaborate on data-driven research, and educate the broader community on the shared responsibility of road safety.

As frequent users of the Permian Basin roadways, it's essential we have a voice in these discussions and do our part in addressing and solving road safety issues throughout the region. U.S. Silica is an active participant in the PRSC Sand Task Force, a subcommittee of local sand plants that meets quarterly to discuss current project plans, seek sand mine feedback and collaborate on opportunities to advance the coalition's main goals of reducing fatalities and creating safer roadways.

The PRSC focuses on road safety in three ways:

Leverage Expertise

Leverage supporters' collective expertise in road safety to advance best practices across the region.

Address Challenges

Collaborate with government and non-government stakeholders to solve road safety and infrastructure challenges using a data-driven approach – and then advocate for these solutions.

Share Responsibility

Educate local communities on their important role in road safety and infrastructure improvements across the Permian Basin. Road safety is a shared responsibility.

“Stand Down for Road Safety” presented by U.S. Silica

In November 2019, U.S. Silica sponsored a Permian Road Safety Coalition event to encourage industry colleagues to stay alert, present and 'in the now' when it comes to road safety. The program featured presentations from industry-leading organizations including the National Institute of Occupational Safety and Health and the National Safety Council as well as a keynote address by Mr. Tim Gard, Hall of Fame speaker, international humorist and former oil field worker.

COMMITTED TO COMMUNITY

For over 100 years, our commitment to the communities we call home has helped define U.S. Silica. And in the next 100 years, we'll continue to actively seek new opportunities and increase our charitable donations that benefit our communities.



Throughout 2019, U.S. Silica invested more than \$273K in the communities where we live and work. Our efforts in West Texas demonstrate just a few of the ways we shared our time, resources and expertise to help build a brighter future on a local level.

\$10,000

To the Boys & Girls Club chapter in Lamesa, Texas to expand its computer lab and purchase a new projector for 150+ students to engage in Math, Spanish and Reading games at the Club.

\$10,700

During back-to-school season, along with backpacks to the Food 4 Kids Lamesa backpack program, designed to provide students who are at risk of going hungry with nutritional snacks throughout the school year.

\$7,315

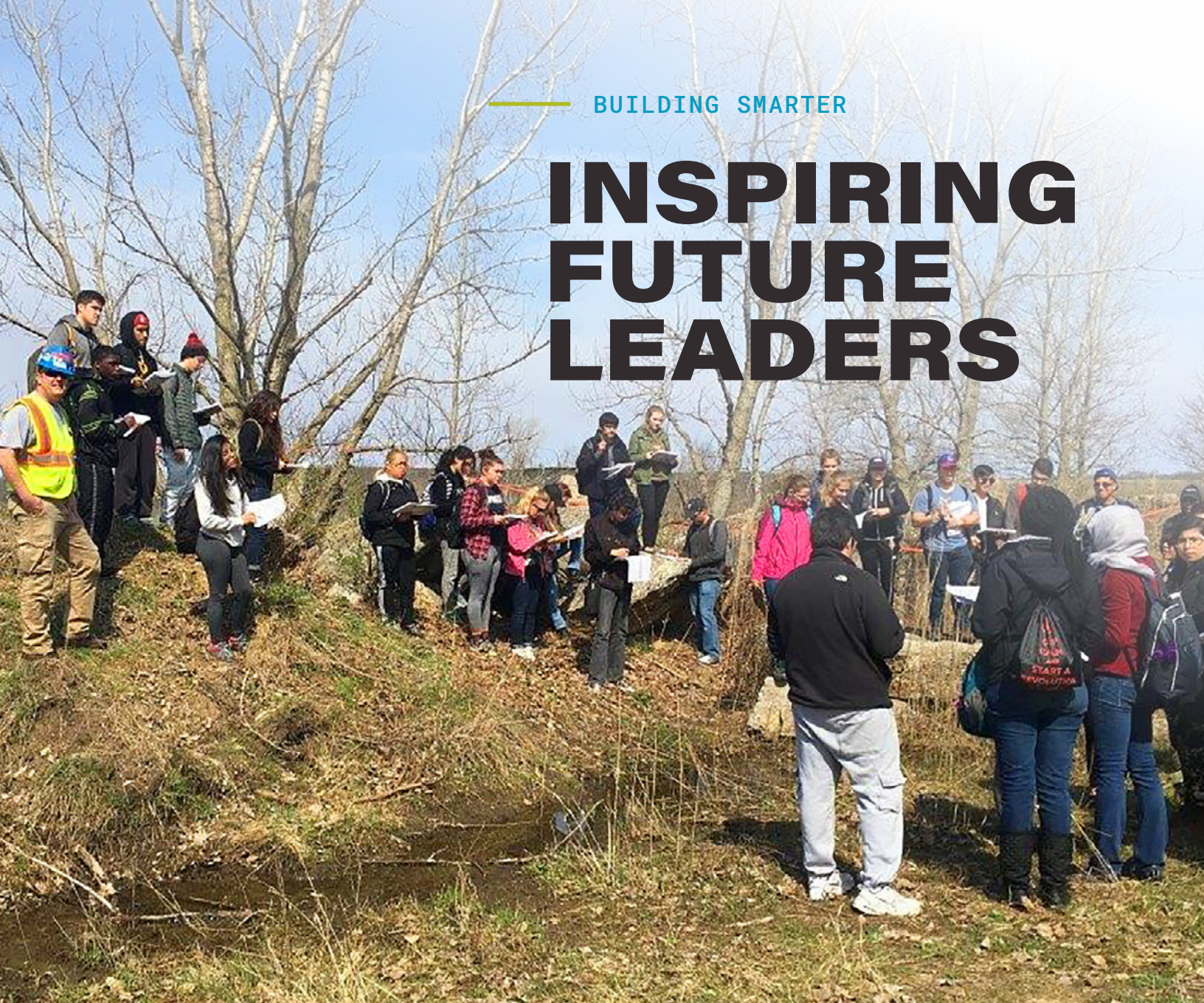
To fund safety equipment to protect the community in emergency situations through the Lamesa Fire Rescue squad for rescue harnesses, air respirators, a four-gas monitor, escape packs, ventilation fans, and more.

\$3,500

To the City of Crane, Texas to fund the city's Fourth of July fireworks presentation and sponsored a float in their annual parade.

Our corporate headquarters in Katy, TX celebrated the holiday season by partnering with a local elementary school where many of the students live below the federal poverty line. U.S. Silica sponsored five families from the school by donating gifts to ensure they had a wonderful and memorable holiday.

INSPIRING FUTURE LEADERS



Our plant in Ottawa, Illinois holds long-standing relationships with local and regional schools and professional societies to educate and inspire students of all ages.

In 2019, the Ottawa plant hosted nearly 100 students in the University of Illinois at Chicago Earth and Environmental Sciences department and the American Institute of Professional Geologists to study limestone and sandstone formations and rock formations unique to the region.

In addition, U.S. Silica employees regularly participate in career days at local high schools and invite students to the plant to inspire those interested in environmental health and safety, geology and mining careers, as well as other associated fields.

RECOGNIZING THOSE THAT GIVE BACK

Our employees proudly live our core values both on and off the job. Sue Manning, Regional Purchasing Manager for our Midwest Division, was recognized by her community for her significant generosity and commitment to spreading goodwill and a positive spirit to local children waiting for medical treatment. Sue assembles “Busy Bags” for youth patients who are being treated in nearby healthcare facilities, which include coloring books, crayons, puzzles, small toys and children’s books. Sue pays for the materials out of her own pocket and delivers approximately 300 bags per month across several urgent care walk-in clinics, emergency department and day surgery units in her hometown of Spring Valley, Illinois.

“This is a very generous and much-appreciated project, especially when undertaken by one individual. We truly appreciate all that Sue Manning has done.”

- Tommy Hobbs,
Illinois Valley Community Hospital CEO





Building together.

AIMING HIGHER

Every day we challenge ourselves with the question of what's next for U.S. Silica. Our growth is defined by many different pursuits; we embrace change and are focused on new ideas, new applications and new markets.

We recognize the growth opportunities that lay before us are made possible by the strength of our partner relationships and the creativity and dedication of our employees. Our ambitions are achieved only when we're building together and we're constantly aiming higher to deliver even better value for our customers.

We Continue to Expand Our Biodiversity Program to Protect Vulnerable Species

As part of our companywide biodiversity program, we actively seek opportunities across our footprint to partner with state and federal regulatory agencies to protect natural habitats and drive conservation efforts. The Greater sage-grouse, a species of birds exclusive to the western United States and southern Canada, has declined in population due to habitat loss over the years. At our Vale, Oregon plant, we assisted the Oregon Department of Fish and Wildlife and the Bureau of Land Management in implementing a mitigation plan to protect this vulnerable species.

At our Vale plant we committed to creating habitable environments for the species and took action to prevent further population decline by:

- Removing noxious weeds to maintain or increase the resilience of native plant communities vital to sage-grouse habitat
- Controlling the spread of juniper, which can help to restore habitable grasses and plants
- Selective removal of trees preferred by predatory birds of the greater sage-grouse

In the years ahead, we look forward to other opportunities to be an environmental steward in our communities and our industry.



OUR EMPLOYEES GROW WITH US

Empowering our Employees to be Leaders

In 2019, our leaders in West Texas launched the Four Disciplines of Execution (4DX) program, based off the book by Chris McChesney, Sean Covey and Jim Huling, in an effort to increase productivity and accountability at both the Crane and Lamesa plants.

1

Focus on the Wildly Important

and ensure alignment on priorities

2

Act on the Lead Measures

and focus on creating efficiencies

3

Keep a Compelling Scoreboard

to maintain passion and engagement

4

Create a Cadence of Accountability

and stick to the confirmed plan of action

70%
of employees participated in the 4DX program

Increased productivity at both Crane and Lamesa plants by **40%**

The 4DX program encouraged value-based, initiative-driven and collaborative strategies to increase productivity. This meant putting goal-setting and problem-solving skills to work. Many employees were rewarded for developing and implementing creative solutions to real tasks within their plant. For example, a group of five employees were tasked with updating HMI screens – devices used to control and monitor equipment. With the proper tools and programs, the team set off to create a more efficient interface. The result was a screen that is optimal for machine operators and engineers, with separate pages for the wet plant machinery, dry plant machinery and logistics, as well as a new alarm system.

TO THE NEXT 100 YEARS

Our industry is evolving – and we’re capitalizing on opportunities to continue to drive our partners’ business forward, while strengthening our commitment to our core values. We’re building our footprint, increasing efficiencies across our operations and expanding our sustainable product offerings. Every business has different needs and we’ll continue to build on our foundation of innovation to lead new solutions for our customers.

Aligning best practices and benefits across our footprint

As we continue to actively seek out like-minded partners to strengthen our corporate portfolio, it’s essential we maintain our culture and core values and operate from a single inclusive playbook across our footprint.

With recent acquisitions like SandBox, a logistics solution that increases operational efficiency, and EP Minerals, a global producer of engineered materials derived from industrial minerals, last year we successfully harmonized the following benefits, programs, policies and structures across all U.S. Silica entities:

- US Silica EHS Management System Version 3.0
- Environmental, Quality Management Program
- EHS Standards of Conduct
- EHS Communication Triggers
- Vehicle Use Program
- Lock-Out/Tag-Out/Test-Out Program
- Contractor Management Program
- Contractor EHS Handbook
- Contractor EHS Audit Checklist
- Confined Space Entry Program
- Railroad Operations Safety Program
- Cutting Tools and Hand Protection Program

In 2019, the EHS team spearheaded efforts to evaluate best practices and integrate into a single safety and environmental repository for all U.S. Silica employees and partners.

It’s an ongoing process. To ensure our EHS initiatives and our Standard Operating Procedures are unified across our footprint we are constantly reviewing and revising our systems to ensure we’re operating at peak efficiency from an operational, safety and environmental perspective.



INVESTING IN CUTTING-EDGE PRODUCTS GIVES OUR CUSTOMERS A COMPETITIVE EDGE

After purchasing a Millen, Georgia manufacturing plant in 2018, we spent 2019 retrofitting the facility to produce cristobalite and cool roof granules, ultimately bringing our products closer to our customers. We redeveloped the facility to a state-of-the-art plant which now allows us to coat the granules onsite, eliminating the need to transfer them for finishing at another facility. This expansion provides an opportunity for significant growth in the cool roof product line.

Cool Roof Granules

Cool roof granules are used in roofing systems to help reduce sun absorption, ultimately lowering the amount of air conditioning needed. This dynamic product helps reduce the heat island effect in cities, which commonly see higher temperatures due to large concentrations of buildings with flat, dark roofs.

White cool roof granules reflect greater than

80%

solar rays and reduce roof temperatures by

20-25° C



WE'RE EXPANDING INTO NEW, SUSTAINABLE INDUSTRIES

DEsect is an organic insecticide that has allowed us to branch out into the commercial agriculture business. Made up of Diatomaceous Earth, a naturally occurring, soft, siliceous sedimentary rock, DEsect kills insects without building up a resistance like chemical insecticides.

DEsect is used on everyday products such as:



Wine grapes



Citrus



Blueberries



Almonds



Tree nuts








**We've invested
\$500,000
in DEsect production**













2019 TARGETS

We hold ourselves accountable year after year by constantly raising the bar on what we are able to achieve together. While our 2025 Bold Goals represent a long-term vision to improve our corporate responsibility performance, our annual targets help us measure our growth and plan for the year ahead. The following pages outlines our progress in 2019 and inform our areas of focus for 2020.

Respect









| 2025 BOLD GOAL | 2019 TARGET |
|--|--|
| Empower employees to improve personal health and well-being |  Promote tobacco-free initiative through companywide emails and internal newsletter |
| |  Achieve 100% participation from plant level employees in the medical screening program |
| |  Expand the Great Place to Work initiative to include more sites |
| Minimize GHG emissions by reducing fuel and electricity usage at our plants |  Reduce dryer fuel usage by 5% MMBtu/ton |
| |  Develop plans for each facility to reduce electricity usage |
| |  Decrease SandBox fleet fuel usage by 9% per ton hauled |
| |  Reduce overall GHG emissions by 1% per ton of product sold |

Safety

| 2025 BOLD GOAL | 2019 TARGET |
|---|---|
| Industry leading EHS programs and manager development |  Provide more than 1,000 cumulative hours of Core Values Belief Based Training for managers, supervisors, and key personnel |
| |  Provide more than 250 hours of cumulative annual training in operational excellence and safety/MSHA standards for plant-based managers and supervisors |
| |  Provide more than 500 cumulative hours of annual developmental training and continuing education for EHS personnel to upskill employees and increase utilization of EHSMS |
| Secure cyber networks to protect employees, customers and other stakeholders |  100% of connected employees to receive annual security awareness training |
| |  Implement or enhance 5 new security features |
| |  Triple investment dollars spent in 2018 in IT systems security |
| |  Zero major cyber security breaches that cause loss of sensitive data |
| Achieve zero reportable and lost time incidents |  Achieve MSHA/OSHA reportable rate of 1.10 |
| |  Achieve annual lost time rate of 0.25 |
| |  Conduct 12 hours of safety training per field employee annually at each facility |

Key:  Not met  Partially met  Fully met

Integrity

| 2025 BOLD GOAL | 2019 TARGET |
|--|---|
| Increase the number of sustainable product offerings |  More than double the amount of products offered in 2018 |
| |  Increase spend on development of sustainable product offerings |
| Create an environment of inclusion across our organization and our supply chain |  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 |
| |  Promote diversity, inclusion and equal employment opportunity by evaluating and promoting employees based on skills and performance alone |
| |  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 |
| Protect air and water quality in and around our communities |  Ensure companywide compliance with new OSHA respirable silica standard |
| |  Achieve zero unauthorized water discharges at all facilities |
| |  Achieve zero authorized discharges over permitted thresholds at all facilities |

Community

| 2025 BOLD GOAL | 2019 TARGET |
|--|--|
| Increase charitable donations to organizations that support our community |  Increase in kind charitable contributions |
| |  Identify a flagship philanthropic effort to support the community in each company location |
| Minimize GHG emissions by reducing fuel and electricity usage at our plants |  Assess and quantify community engagement and volunteerism companywide |
| |  Develop plans for each facility to reduce electricity usage |
| |  Each location to identify an organization to partner with annually on volunteer efforts |

2020 GOALS

Respect We treat each other with respect and dignity.

| 2025 BOLD GOAL | 2020 TARGET |
|--|---|
| Empower employees to improve personal health and well-being | Pandemic Response: Implement and maintain Covid-19 hygiene best practices company wide |
| | Pandemic Response: Provide employees third party contagious respiratory illness assessments & guidance following CDC recommendations and absenteeism relief |
| | Execute Great Place to Work GamePlan to continue community involvement initiatives and professional networking |
| Minimize GHG emissions by reducing fuel and electricity usage at our plants | Implement projects that increase solar usage |
| | Decrease SandBox fleet fuel usage by 9% per ton hauled |
| | Increase number of tons sold of CRG solar reflective roofing product |

Safety We ensure the safety of our people and the environment.

| 2025 BOLD GOAL | 2020 TARGET |
|---|---|
| Industry leading EHS programs and manager development | Sustain Core Values Training by providing more than 1,000 cumulative hours of belief based training for managers, supervisors, and key personnel |
| | Provide more than 250 hours of cumulative training in operational excellence and safety/MSHA standards for Plant based managers and supervisors |
| | Provide more than 500 cumulative hours of annual developmental training and continuing education for EHS personnel to upskill employees and increase utilization of EHSMS |
| Secure cyber networks to protect employees, customers and other stakeholders | 100% of connected employees to receive annual security awareness training |
| | Measure security phishing simulations, and be better than industry average |
| | Implement Multi Factor Authentication (MFA) |
| | Zero major cyber security breaches that cause loss of sensitive data |

| 2025 BOLD GOAL | 2020 TARGET |
|---|--|
| Achieve zero reportable and lost time incidents | Achieve MSHA/OSHA reportable rate of 0.75 |
| | Achieve annual lost time rate of 0.2 |
| | Conduct 12 hours of safety training per field employee annually at each facility |

Integrity We act with honesty and integrity.

| 2025 BOLD GOAL | 2020 TARGET |
|---|---|
| Increase the number of sustainable product offerings | Improve overall effectiveness of sustainable product offerings |
| | Increase number of customers we sell sustainable products to |
| Create an environment of inclusion across our organization and our supply chain | Track M&W contractors through a contractor management program |
| | Promote diversity, inclusion, and equal employment opportunity by evaluating and promoting based on skills and performance alone |
| | 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 |
| Protect air and water quality in and around our communities | Ensure companywide compliance with new OSHA respirable silica standard |
| | Achieve zero unauthorized water discharges at all facilities |
| | Achieve zero authorized discharges over permitted thresholds at all facilities |
| | Implement projects that reduce water usage |
| | Track water usage and recycling at 1 plant per business unit to set water conservation baseline standard |

Community We operate in our communities as good neighbors.

| 2025 BOLD GOAL | 2020 TARGET |
|---|--|
| Increase charitable donations to organizations that support our community | Increase in kind charitable contributions |
| | Continue to support flagship organizations in the community of each company location |
| Actively seek opportunities for volunteering and community engagement | Increase community engagement and volunteerism company-wide |
| | Increase number of volunteer hours with partner organizations |



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