

---

# INSPIRING INNOVATION THROUGH OUR COMMITMENT TO PEOPLE, PLANET *&* PROSPERITY

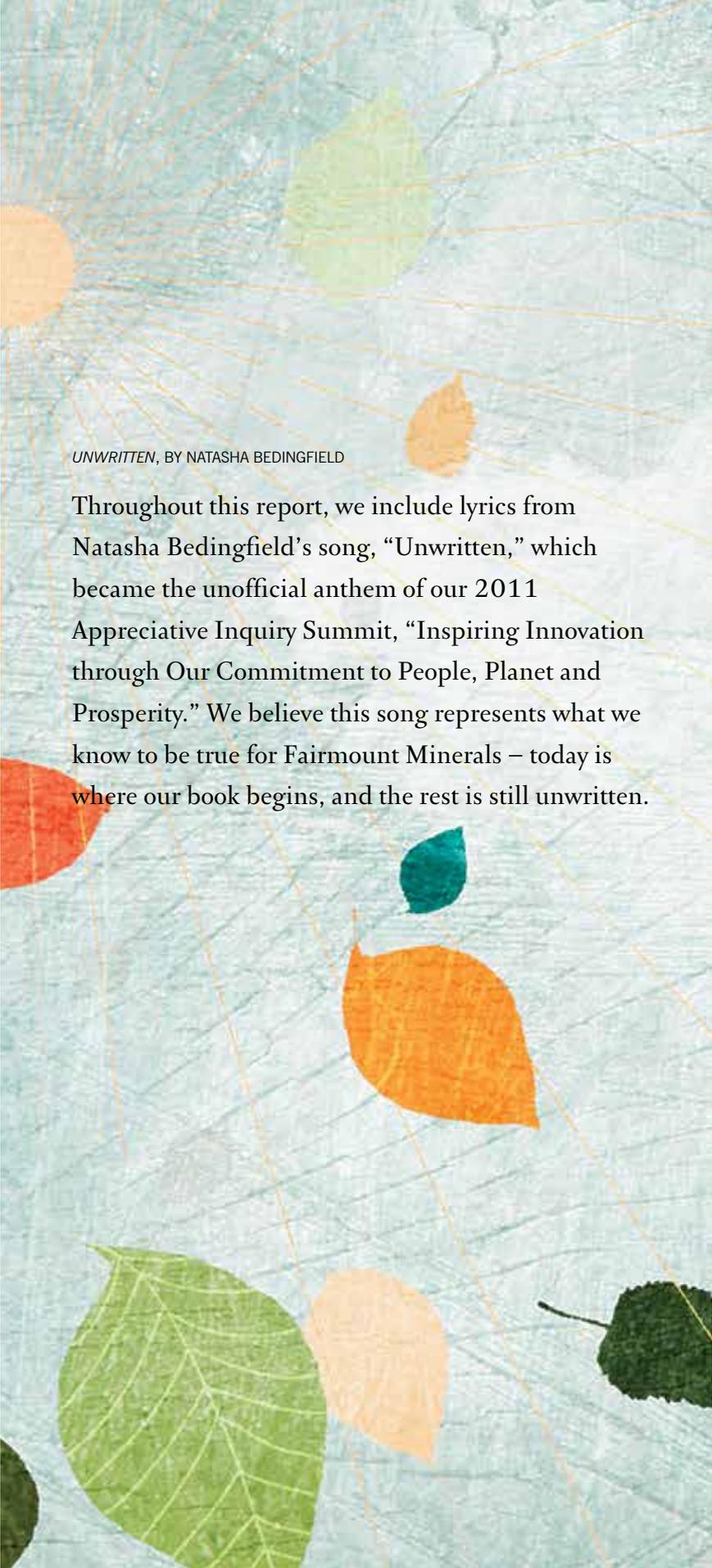
---

2011  
CORPORATE SOCIAL  
RESPONSIBILITY  
REPORT

---

# TABLE OF CONTENTS

<b>1</b>	<b>MESSAGE FROM OUR CEO</b>	<b>1</b>
<b>2</b>	<b>ABOUT THIS REPORT</b>	<b>3</b>
<b>3</b>	<b>ORGANIZATION PROFILE</b>	<b>5</b>
<b>4</b>	<b>GOVERNANCE</b>	<b>7</b>
<b>5</b>	<b>STRATEGY FOR SUSTAINABILITY</b>	<b>9</b>
<b>6</b>	<b>STAKEHOLDER ENGAGEMENT</b>	<b>12</b>
<b>7</b>	<b>2011 PERFORMANCE</b>	<b>15</b>
<b>8</b>	<b>2012 BOLD GOALS</b>	<b>19</b>
<b>9</b>	<b>PEOPLE</b>	<b>21</b>
	Exceptional Workplace	22
	Ethics and Diversity	25
	Training and Education	26
	Safety	27
	Health and Wellness	28
	Community Investment	29
<b>10</b>	<b>PLANET</b>	<b>31</b>
	Environmental Management	32
	Energy and Climate Change	32
	Waste and Recycling	34
	Land Restoration	35
	Clean Water	36
<b>11</b>	<b>PROSPERITY</b>	<b>37</b>
	Economic Impacts	38
	Sustainable Value Chain	39
	Innovation	40
<b>12</b>	<b>CONCLUSION</b>	<b>41</b>
<b>13</b>	<b>GRI INDEX</b>	<b>42</b>



*UNWRITTEN*, BY NATASHA BEDINGFIELD

Throughout this report, we include lyrics from Natasha Bedingfield’s song, “Unwritten,” which became the unofficial anthem of our 2011 Appreciative Inquiry Summit, “Inspiring Innovation through Our Commitment to People, Planet and Prosperity.” We believe this song represents what we know to be true for Fairmount Minerals – today is where our book begins, and the rest is still unwritten.



Dear Fairmount family members and friends,

Fairmount Minerals is a company inspired by the challenge of creating extraordinary solutions from a seemingly common material – sand. The world’s most progressive and essential industries rely on our innovative solutions to ensure they can do everything from extracting oil and gas to developing the materials used to construct high performance buildings. We know our products and services make an important difference in the world, so we strive to design solutions with social, environmental and economic factors in mind. Fairmount Minerals’ sustainability strategy defines how we operate as an organization and guides our innovation activities. Most importantly, sustainable development serves as the inspiration we use to continually exceed expectations when it comes to People, Planet and Prosperity.

In this, our sixth Corporate Social Responsibility Report, we celebrate our recent successes and highlight the opportunities we see to enhance our social, environmental and economic performance. In 2011, we are proud to report that we accomplished 97 percent of our sustainability goals. In all, we generated \$5.7 million in value associated with our sustainability projects and teams. While we calculate the ways in which “sustainable development pays” to help quantify the value of our efforts for our investors and other stakeholders, we also do so with the hope of inspiring other companies – helping them to see that sustainability supports economic value creation.

This year also marked an important milestone in Fairmount Minerals’ journey as a sustainable enterprise. For the first time in our history, we achieved one million consecutive safe working hours. This success is a testament to the good work of our Fairmount family members who, day after day, encourage and challenge one another to make safety a priority. I am inspired by the collaboration and teamwork that enabled us to reach this goal and, as we move forward, we will continue to raise the bar related to Fairmount Minerals’ safety performance.

One of our most significant efforts in 2011 involved bringing several hundred of our stakeholders together in an Appreciative Inquiry (AI) summit on sustainable development. The theme of this year’s CSR Report, “Inspiring Innovation through Our Commitment to People, Planet and Prosperity,” aligns with the theme of our 2011 summit, which connects our sustainability commitment with a focus on innovation.

We challenged Fairmount family members, customers, suppliers and neighbors to “bring your inspired self,” as we spent three days exploring Fairmount’s strongest assets and imagining possibilities for the future. We devoted one full day of the summit to supporting a national park through a variety of service projects. Beyond the positive impact our volunteer efforts provided to the park, the experience allowed us to connect with, learn from and inspire one another.

As we continue to grow in 2012, Fairmount Minerals will draw upon the creativity and inspiration that we generated through the summit. We see great opportunity to support global challenges such as the growing need for energy and water through our sustainable solutions. At the same time, we are energized by the opportunities to innovate and design new solutions that create positive impact for People, Planet and Prosperity.

Looking to the future, I am drawn back to the origin of the word, “inspire,” – it comes from the Latin, “to breathe,” and it represents what we believe will make all the difference for us in the future. Throughout 2011, Fairmount Minerals breathed new life into our organization by welcoming new ideas, new people and new opportunities. We refreshed our focus on People, Planet and Prosperity and, going forward, will continue to create moments of inspiration that help us to see the world differently. Every breath we take today and into the future should be filled with the energy and power of possibility that inspiration creates. I am confident we have the very best people who can make extraordinary things happen and am grateful for the Fairmount family’s dedication to doing well by doing good.

Sincerely,

A handwritten signature in black ink that reads "Chuck Fowler". The signature is written in a cursive, slightly slanted style.

Chuck Fowler

CHIEF EXECUTIVE OFFICER

# 2

## ABOUT THIS REPORT

Through Fairmount Minerals' annual Corporate Social Responsibility Report, we strive to provide information that our stakeholders want and demonstrate to our employee family, investors, business partners and others how we make sustainability core to our growth strategy.

This report, published in May 2012, covers Fairmount Minerals' global operations for the 2011 fiscal year. Energy and greenhouse gas emissions data are reported on an adjusted timeframe, which runs from October 1, 2010 through September 30, 2011.

Fairmount Minerals is committed to following the Global Reporting Initiative (GRI) G3.1 Guidelines in our reporting practices. Our 2011 report, which is available online at [www.fairmountminerals.com/2011CSR](http://www.fairmountminerals.com/2011CSR) and in hard copy, has achieved a GRI-checked Application Level A.

We apply the GRI principles for defining report content and defining report quality to ensure a balanced and reasonable presentation of our sustainability performance.

**MATERIALITY AND STAKEHOLDER INCLUSIVENESS** We define report content by integrating stakeholder feedback into our own sustainability assessment process. Through our Sustainable Development (SD) Teams, we set annual sustainability goals that ensure we address the material issues identified by our stakeholders.

**SUSTAINABILITY CONTEXT AND COMPLETENESS** Our report addresses Fairmount Minerals' environmental, social and economic performance and progress related to sustainability goals across our entire global footprint.

**BALANCE** We present favorable and unfavorable results equally in our report, offering updates on progress against stated sustainability goals and efforts to enhance our sustainability impacts.

**COMPARABILITY** We report metrics over a minimum of four years (less only when the information is not available) and include a thorough GRI Content Index to aid in report readability.

**TIMELINESS** We publish a Corporate Social Responsibility Report on an annual basis, following the evaluation of the previous year's data, performance metrics and feature stories.

**ACCURACY AND RELIABILITY** This report was reviewed by the Fairmount Minerals' senior management team and is published with their support and approval.

### CONTACT

For further information about our 2011 Corporate Social Responsibility Report or sustainable development progress at Fairmount Minerals, please contact Kristin Lewis at [sustainability@fmsand.com](mailto:sustainability@fmsand.com).

# 3

## ORGANIZATION PROFILE

"I'm just beginning.  
The pen's in my hand,  
ending unplanned..."

Fairmount Minerals is one of the world's largest industrial sand producers. We supply industrial sand and related products to a vast array of markets and industries, including foundry, oil and gas, turf and landscape, water filtration, glass, construction, industrial, and retail markets.

Headquartered in Chardon, Ohio, Fairmount Minerals' global operations include 23 mining, mineral processing and manufacturing coating facilities and six administrative and research and development (R&D) offices. With more than 750 dedicated Fairmount Minerals family members, we strive to inspire our customers, our communities and one another to continually exceed expectations in all that we do.

### Employees by Category



### Employees by Location

FML LOCATIONS	FULL-TIME EMPLOYEES
Alpha Resins (Detroit, MI)	10
Best Sand (Chardon, OH)	48
Best Sand Southern (Beaver, OH)	2
Black Lab (Chardon, OH)	9
Black Lab (Fresno, TX)	5
Black Lab (Serena, IL)	12
Bridgman Lake (Bridgman, MI)	12
Bridgman Resin (Bridgman, MI)	25
Construction Aggregates (Ferrysburg, MI)	6
Fairmount Minerals Corporate (Benton Harbor, MI)	22
Fairmount Minerals Corporate (Wedron, IL)	58
Fairmount Minerals Corporate Headquarters (Chardon, OH)	32
Fairmount Water Solutions (Newbury, OH)	5
Lake Shore Sand (Hamilton, Ontario)	6
Mineral Visions (Ottawa, IL)	8
Santrol (Sugar Land, TX)	36
Santrol de Mexico (Monterrey, Mexico)	64
Santrol Europe (Fredericia, Denmark)	17
Santrol Yixing Proppant (Yixing, China)	19
TechniSand Fresno (Fresno, TX)	28
TechniSand Roff (Roff, OK)	57
TechniSand Troy Grove (Troy Grove, IL)	36
TechniSand Wedron (Wedron, IL)	29
Wedron Silica (Wedron, IL)	78
Wexford Sand (Harrietta, MI)	26
Wisconsin Industrial Sand (Bay City, WI)	19
Wisconsin Industrial Sand (Hager City, WI)	15
Wisconsin Industrial Sand (Maiden Rock, WI)	55
Wisconsin Industrial Sand (Menomonie, WI)	25
<b>TOTAL FULL-TIME</b>	<b>764</b>

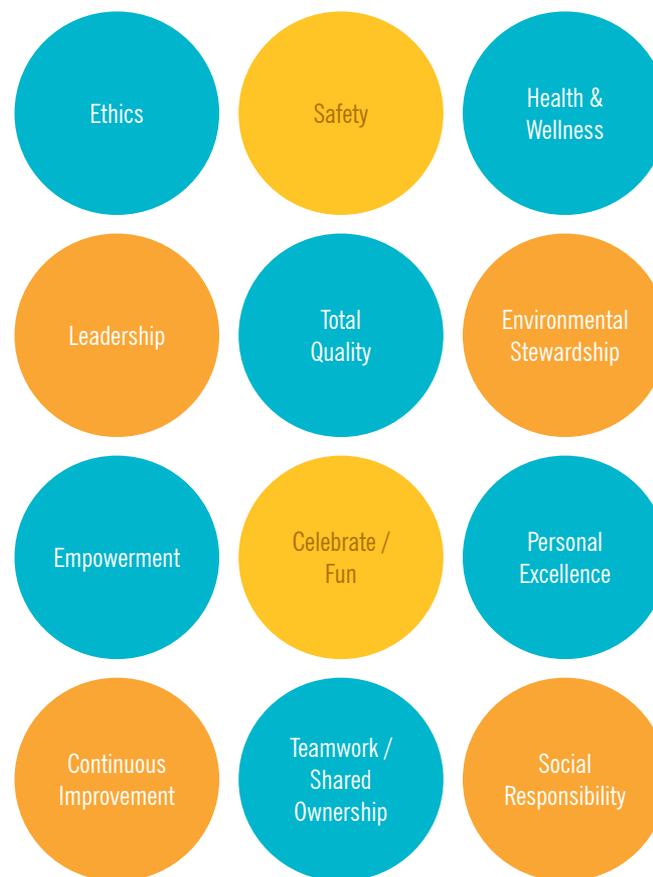
# 4

## GOVERNANCE

"I break tradition..."

### MISSION AND PRINCIPLES

Fairmount Minerals' mission to exceed all expectations while fulfilling our economic, social and environmental responsibilities grounds everything we do. Our core principles – the guiding values that inspire our people and our organization – guide our decisions related to People, Planet and Prosperity.



### GOVERNANCE

Fairmount Minerals is governed by a seven-person Board of Directors, with one executive, two independent and four shareholder (three of whom are representatives from American Securities) members. Board members are selected based on an internal review process as well as feedback from independent business partners. The Board's three standing committees — Compensation, Audit and Executive — provide strategic counsel and oversight to the company. Our Board members act in accordance with our conflict of interest policy, which has been in existence since the formation of our Board.

# 5

## STRATEGY FOR SUSTAINABILITY

“Staring at the blank page before you... let the sun illuminate the words that you could not find.”

Fairmount Minerals’ business strategy is focused on the major global issues we face today and into the future. From delivering clean water to meeting growing needs for energy, we recognize these shared priorities as opportunities to make a difference in the world.

### MEETING GROWING ENERGY DEMAND

Our industrial sand products contribute to broad societal needs that are served by the markets we supply. With the global energy demand expected to increase about 40 percent by 2030<sup>1</sup>, our product and service innovations enable efficient and sustainable production across the oil and gas industry. As our innovative products support an increasing share of global oil and natural gas supply coming from unconventional sources such as those produced with shale formations, we see opportunity in a more diversified global energy portfolio – one that includes renewable, alternative and lower-carbon fuels such as natural gas.

### ADDRESSING RISKS ASSOCIATED WITH CLIMATE CHANGE

While growing energy demand represents opportunity for our business, we also recognize the social, environmental and economic costs of rising energy consumption and the resultant greenhouse gas emissions. If realized, the risks associated with greenhouse gas emissions – including changes to the physical environment, rising energy and agriculture prices, and regulatory impacts – present challenges to a healthy global economy. We have an opportunity to improve the efficiency of our operations and increase our use of renewable energy to help offset the financial risks of today’s world.

### PROVIDING WATER SOLUTIONS

With almost one-fifth of the world’s population living in areas of water scarcity<sup>2</sup>, Fairmount Minerals has the expertise to deliver solutions that support sustainable use of this essential natural resource. In addition to providing water filtration solutions to meet global demand for clean water, we also see opportunity to improve the water footprint of our own operations. By collaborating with communities and engaging with experts in the field of hydrogeology, we can better assess our water needs and those of our communities to ensure the highest degree of efficiency in our water use.

<sup>1</sup>BP Energy Outlook 2030

<sup>2</sup>International Decade for Water: Water for Life, 2005-2015

#### ENHANCING OUR OPERATIONAL FOOTPRINT

Fairmount Minerals manages the unique challenges of the mining industry through comprehensive policies and management systems in the areas of environment, health and safety. We proactively monitor the regulatory landscape and take appropriate steps to exceed current environmental and safety standards. Through our Sustainable Development Teams, we focus on energy conservation, sustainable water use, waste reduction and safety to enhance our operational footprint.

#### SUPPORTING ECONOMIC GROWTH

When we enter a community, we do so with a commitment to invest in a long-life operation that enhances Fairmount Minerals' economic performance while investing in the people of that community through employment opportunities, supplier partnerships, taxes to governments and charitable donations. We understand that we have a responsibility to develop extensive site plans that consider the full spectrum of our impacts – from safety to environmental stewardship to volunteerism and more – and help create the prosperity that we know is essential to the success of our local communities.

Fairmount Minerals' focus on sustainable development ensures that we understand and address our social, environmental and economic impacts in a way that produces opportunity. It isn't separate from our business strategy – it is our business strategy.

As we look to the future, we are inspired by the possibilities that exist for Fairmount Minerals to make a difference in the world. Whether it's delivering sustainable products and services that meet the growing global demand for essential resources like water and energy or providing opportunities and resources to people in the communities where we operate, we believe our sustainability strategy creates enduring prosperity.



# 6

## STAKEHOLDER ENGAGEMENT

*"No one else, no one else  
can speak the words on  
your lips..."*

Fairmount Minerals values the diversity of thought, experience and perspective that we generate through our connections with a broad stakeholder base. We make stakeholder engagement a fundamental aspect of our sustainability strategy because it enables us to leverage the wisdom of our employees, customers, suppliers, neighbors and other stakeholders to better address our environmental, social and economic opportunities.

Since 2005, we have employed Appreciative Inquiry (AI) summits as a tool for engaging stakeholders in a robust discussion about opportunities and vision for the future. In 2011, we brought 437 stakeholders together over three days to re-discover our strengths as an organization, dream about possibilities for the future and design the strategies to take us there. The summit theme, “Bring Your Inspired Self,” focused on innovation and the ways in which Fairmount Minerals can creatively and effectively deliver sustainable value. With 377 Fairmount family members representing five different countries and 60 external stakeholders participating, we identified new goals and projects that will enhance our People, Planet and Prosperity impacts.

To further inspire innovative ideas and collaboration, we dedicated one full day of our summit to a volunteer project. Together we contributed 3,170 volunteer hours in Cuyahoga Valley National Park, where we engaged in a variety of projects, including planting trees, painting a pedestrian tunnel, clearing brush and more. Ours represents one of the most significant volunteer efforts ever to come to the Park and we are incredibly proud of our work.

At the conclusion of the summit, new and re-energized Sustainable Development (SD) Teams presented their ideas for the future of Fairmount Minerals, sharing creative solutions for product innovation, education and training, and enhanced communication. Post-summit, the following SD Teams will support Fairmount Minerals’ strategy for sustainability:

- Best Practice – (now includes Technology Vision)
- QUEST for Eco-Efficiency (merger of the QUEST and Eco-Efficiency post summit)
- Environmentally Responsible Products and Processes (ERPP)
- Health and Wellness
- Social Responsibility
- Business Innovation
- FML Y.O.U. – Your Opportunity University
- Clean Water
- Safety
- Recover, Recycle, Reuse (3R)
- Sustainable Supply Chain → Sustainable Value Chain
- Transportation → Sustainable Mobility
- Communications → Communications & Appreciative Inquiry (AI)

## Stakeholder Engagement

STAKEHOLDER GROUP	TYPE OF ENGAGEMENT	FREQUENCY
Fairmount Family Members	Appreciative Inquiry Summit	Every three years
	Innovation Assemblies	Every two year
	Surveys	Ongoing
Customers	Appreciative Inquiry Summit	Every three years
	Satisfaction Survey	Annually
	Focus Groups	Ongoing
Community Members	Appreciative Inquiry Summit	Every three years
	Open Houses	Biannually
Suppliers	Appreciative Inquiry Summit	Every three years
	Sustainable Supplier Survey	Ongoing

## PARTNERSHIPS AND COLLABORATIONS

Collaborating with partners energizes and inspires us to find new solutions to the environmental, social and economic challenges we face as a business. Through our participation in the United Nations Global Compact, we enact a universal set of principles related to human rights, labor standards, the environment, and ethical behavior. We commit to supporting and following the core values espoused by the Global Compact in our operations as well as through our participation in industry and professional organizations. We are pleased to learn from and participate in the following organizations:

- American Chemistry Council Crystalline Silica Panel
- American Foundry Society
- American Institute of Chemical Engineers
- American Petroleum Institute
- American Red Cross
- American Society for Quality
- American Society of Safety Engineers
- American Water Works Association
- Baldwin Wallace Institute for Sustainable Business Practice
- Casting Industry Supplier Association
- Foundry Educational Foundation
- Fowler Center for Sustainable Value
- Geauga Growth Partnership
- Golf Course Builders Association of America
- Golf Course Superintendents Association of America
- Industrial Energy Consumers Association
- Industrial Minerals Association of North America
- International Society of Mine Safety Professionals
- Marcellus Shale Coalition
- National Association of Manufacturers
- National Freight Transportation Association
- National Industrial Sand Association
- National Plasterers Council
- National Safety Council
- North American Rail Shippers
- Northwest and Southwest Michigan Sustainable Business Forums
- Ohio Parks & Recreation Association
- Pennsylvania Parks & Recreation Association
- Saving Birds Thru Habitat
- Society for Human Resource Management
- Society for Mining, Metallurgy and Exploration
- Society for Petroleum Engineers
- Society of Chemical Manufacturers and Affiliates
- Synthetic Turf Council
- United Nations Global Compact
- U.S. Business Council for Sustainable Development
- U.S. Chamber of Commerce
- Water Environment Federation
- Western Wisconsin Land Conservancy
- Wildlife Habitat Council

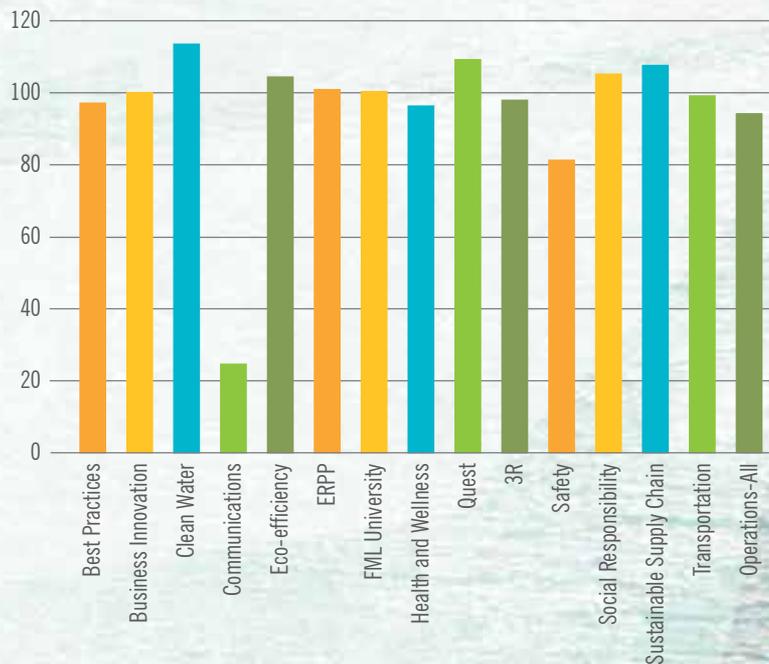
# 7

## 2011 PERFORMANCE

When we have inspiration, we can achieve truly great things. At Fairmount Minerals, we challenge ourselves year after year to continue to raise the bar on our sustainability performance.

In 2011, we met 97% of our sustainable development goals, which included one million consecutive safe working hours, the completion of a company-wide Appreciative Inquiry summit and more. As we successfully complete our annual social, environmental and economic performance goals, we are inspired to do more – to innovate and achieve results that exceed our expectations.

2011 Sustainable Development Performance



○ Complete
 ○ On Track
 ○ Not Complete

Team	Goal	Status	Comment
3R	Achieve zero waste to landfill by 2015 through annual waste reductions of 20%.	<span style="color: green;">○</span>	Our team is on track to achieve zero waste to landfill by 2015.
3R	Hold one recycling event in each Fairmount Minerals region.	<span style="color: blue;">○</span>	Each region hosted an event where recycling and waste reduction were prominently featured.
Best Practice	Increase scheduled uptime by 5% by implementing best practices in organizational effectiveness.	<span style="color: green;">○</span>	Through loading, maintenance and manufacturing best practices, we generated more than \$50,000 in cost savings.
Best Practice	Improve "appearance" at facilities by 10% according to best practice criteria.	<span style="color: blue;">○</span>	We developed a checklist and implemented monthly review processes to enhance housekeeping and appearance at our facilities.
Business Innovation	Expand innovation program to external stakeholders through at least one quarterly outreach activity.	<span style="color: blue;">○</span>	With our Appreciative Inquiry summit in August 2011 and several engagements with trade and industry associations, we successfully expanded our innovation program.
Business Innovation	Explore and incorporate at least one innovation opportunity within our businesses and facilities that demonstrates "SD Pays."	<span style="color: blue;">○</span>	We hosted an internal innovation session to identify practices and processes that foster a more creative, innovation culture.
Business Innovation	Explore and develop at least four partnerships that support sustainable innovation.	<span style="color: blue;">○</span>	We partnered with several educational institutions and external research firms to address product innovation, quality and testing opportunities for our products and processes.
Clean Water	Educate Fairmount family members on sustainable water use.	<span style="color: blue;">○</span>	Our Clean Water team created and presented exhibits on water conservation and clean water at several community events.
Clean Water	Define water footprint process and implement at two manufacturing facilities in 2011.	<span style="color: blue;">○</span>	We successfully completed a water footprint at two Fairmount Minerals facilities.
Clean Water	Identify potential partners to help address water solutions for natural gas production.	<span style="color: green;">○</span>	We partnered with several higher education institutions to conduct research and trials to help address water solutions for natural gas production.
Clean Water	Verify Aqua Clara's performance on annual goals.	<span style="color: green;">○</span>	Eleven members of the Aqua Clara team visited Nicaragua to help put a system in place for monitoring the filters and tracking progress. The team also assisted ACI in securing additional sustainable funding through organizations and grants.
Communications	Reduce paper mailings by 45% over 2009 baseline.	<span style="color: orange;">○</span>	While total paper mailings increased in 2011, we re-focused our efforts to optimize mailings to meet our stakeholders' communication needs.
Communications	Design and launch the Fairmount Minerals Individual Sustainability Plan program.	<span style="color: orange;">○</span>	We decided to postpone the launch of this program.

Team	Goal	Status	Comment
Eco-Efficiency	Reduce greenhouse gas emissions on a per ton basis by 2% annually.	🟢	We have reduced greenhouse gas emissions by 7% from our 2009 baseline.
Eco-Efficiency	Implement at least one alternative energy project at a Fairmount Minerals facility.	🟢	We completed a solar array installation at our Menomnie plant on October 1, 2011 and are exploring alternative energy opportunities in 2012.
Eco-Efficiency	Provide energy conservation education to Fairmount family members.	🟢	We conducted several open houses on energy conservation, including one at the 2011 Summit. We also participated in the Green Energy Ohio Tour (focused on Solar and LEED).
ERPP	Introduce five new sustainable products and/or processes.	🟢	We successfully introduced five new products, including a Ball Diamond Mix, Equestrian Blends and Grey Polymeric Sand.
ERPP	Achieve ISO 14001 registration or compliance at two Fairmount Minerals facilities in 2011.	🟢	Our Wedron plant successfully completed certification by the end of 2011. Our Mineral Visions and Santrol Europe facilities are targeted for certification in 2012.
ERPP	Increase the number of computers that meet internal standards for environmental sustainability by 12% in 2011 (over 2010 numbers).	🟢	Since 2010, we have transitioned 58% of all FML computers to meet environmental standards.
Fairmount University	Test and then launch Fairmount family member onboarding program.	🟢	We launched a revised orientation program in 2011 to provide new Fairmount family members with information regarding our culture, commitment to sustainability and relevant HR, safety and information technology details.
Fairmount University	Select a framework for FML U structure.	🟢	FML U collaborated with an external partner to design a strategic framework to guide our corporate university development.
Fairmount University	Design and conduct 2011 AI Summit.	🟢	The FML U team successfully supported the design and implementation of Fairmount Minerals' third Appreciative Inquiry summit in 2011.
Health and Wellness	Implement new wellness program focused on health driven goals.	🟢	We partnered with Wellness Corp to introduce an online tracking system, new website, new ideas and new challenges for our family members.
Health and Wellness	Sixty percent of all wellness program participants will improve or maintain a healthy body composition.	🟡	Approximately 53% of program participants maintained or improved their body composition in 2011.
Health and Wellness	Host one kids activity day in each Fairmount Minerals region.	🟢	We hosted children's events in each region in 2011.
Health and Wellness	Our annual healthcare spend will be 10% below industry trend.	🟢	While the industry trend for healthcare spending increased by 12.5% in 2011, ours grew by only 6.68%.
Operations Average	Established an average of 433 individual plant goals.		We completed this goal by 93%.
QUEST	Seventy-five percent of all Fairmount Minerals locations will complete a plant inventory list and develop a removal/management plan by 2012.	🟢	We compiled best practices for WHC certification from our certified plants and helped other plants start the process for 2012.

Team	Goal	Status	Comment
QUEST	Offset 2010 Scope 1 and 2 greenhouse gas emissions.	🟢	We donated more than 57,000 trees to offset carbon emissions, and planted many trees for the 9/11 Memorial in Shanksville, PA.
QUEST	Hold one environmental event in every Fairmount Minerals region.	🟢	Facilities in each FML region hosted an event to increase awareness of environmental issues and opportunities.
QUEST	Partner with transportation team to track and calculate Scope 3 greenhouse gas emissions.	🟡	We are 40% complete on the goal of tracking and calculation of Scope 3 greenhouse gas emissions.
QUEST	Fifty percent of all Fairmount Minerals locations will be Wildlife Habitat Council or Saving Birds Thru Habitat certified in 2011.	🟢	More than 50% of all Fairmount locations have achieved these certifications.
Safety	Achieve one million consecutive safe work hours.	🟢	We achieved over one million safe working hours in September 2011.
Safety	Achieve a 10% lower safety incident rate than industry peers in 2011.	🟡	Our 2.9 safety incident rate is below the industry average of 3.0.
Safety	Hold 10 Safety & Health Committee Meetings per facility incorporating: <ul style="list-style-type: none"> <li>Near miss reporting</li> <li>Observational-based safety successes</li> <li>Silicosis prevention</li> </ul>	🟢	Every facility has a Safety & Health Committee that meets regularly to discuss critical and relevant safety topics.
Safety	Complete 40% of OHSAS registration project plan in 2011.	🟢	With Best Sand's certification in 2011, we are on track to achieve our overall OHSAS registration goal.
Social Responsibility	Achieve 100% completion of the total paid volunteer time pledge.	🟢	While our family members pledged 10,685 volunteer hours for 2011, we actually completed ~12,500 hours.
Social Responsibility	Launch skilled volunteerism pilot program.	🟡	We partnered with United Way Services of Geauga County and are in the process of using the 2010 Skills Survey results to match family members with volunteer opportunities.
Sustainable Supply Chain	Increase participation in bulk bag recycling program by 10% in 2011.	🟢	We continued to increase participation in the bulk bag program throughout 2011 and will target more customer participation in 2012.
Sustainable Supply Chain	Explore and recommend inbound material transportation changes to improve our environmental footprint.	🟢	We analyzed the viability of intermodal transportation options and will implement changes in 2012.
Transportation	Improve private car reloads by 25%.	🟢	We improved private car reloads to reduce empty railcar travel.
Transportation	Improve accuracy of car number reporting by 25%.	🟢	We improved the accuracy of our railcar reporting even as volume increased.
Transportation	Establish a system to track carriers in compliance with CSA 2010.	🟢	We identified and secured a third party vendor to help track carrier compliance.
SD Pays	Each team and each facility will calculate savings and ensure full value is captured.	🟢	We calculate \$5.7 million in value associated with our sustainable development projects.

# 8

## 2012 BOLD GOALS

*"Reaching for something  
in the distance, so close  
you can almost taste it..."*

Since first developing Fairmount Minerals' bold goals for sustainability in 2006, we have encouraged our Sustainable Development (SD) Teams to identify meaningful annual goals that stretch us as an organization and inspire Fairmount family members to support People, Planet and Prosperity initiatives.

Over time, we increased the number of annual goals to address the major opportunities we saw to enhance our social, environmental and economic performance.

When we assessed our goal-setting process in 2011, we identified an opportunity to focus our efforts on those goals and activities that most inspire us. Further, we revised some team names and combined other teams to better represent our objectives going forward. We believe we have an opportunity to develop innovative solutions by targeting fewer, yet more significant, goals.

Team	2012 Bold Goal
Recover, Recycle, Reuse (3R)	Reduce waste by 20% over 2011.
Sustainable Value Chain	Deliver 36 SD presentations to customers, vendors and communities and track impact.
Health and Wellness	Improve the health and wellness of our people by increasing program participation to 65%.
Communications and Appreciative Inquiry	Design SD communications plan and implement four communications tactics to enhance organizational effectiveness.
Safety	Reach 1.5 million consecutive safe working hours.
Clean Water	Complete water footprint evaluations at all current Fairmount facilities.
FML Y.O.U.	Identify and implement four learning and development offerings for all FML employees.
Environmentally Responsible Products and Processes (ERPP)	Design and implement a process to engage all stakeholders in development of environmentally responsible products by connecting with two focus groups in two distinct markets.
Social Responsibility	Launch FML CORES program where 400 or more Fairmount family members will participate in one of 10 local CORES programs.
Quest for Eco-Efficiency (QEE)	Improve FML's carbon footprint by completing projects that eliminate 3% of 2011 GHG emissions.
Sustainable Mobility	Increase our usage of non-conventional shipment methods by 10%.
Best Practices	Complete five best practice productivity projects resulting in \$50,000 in savings.
Business Innovation	Design and implement an organizational process for advancing concepts of innovation at each location. Capture and track at least five projects.

# 9

## PEOPLE

"Drench yourself in words  
unspoken. Live your life  
with arms wide open."

### EXCEPTIONAL WORKPLACE

Creating an inspiring and rewarding workplace is fundamental to Fairmount Minerals' talent recruitment and retention strategy. We provide our family members with compensation that is competitive in relevant markets and offer benefits to full-time family members that include a medical and dental benefits package, 401(k) plan, a wellness incentive program, and safety bonus programs. With a full-time and part-time employee retention rate of 87%, compared to the 76% average for the manufacturing industry and the 69% average for the mining industry, we believe our efforts are inspiring a more progressive, inclusive and innovative culture.

Another important part of an exceptional and inspiring workplace involves recognizing people for a job well done. Fairmount Minerals' awards and recognition program encourages Fairmount family members to nominate those individuals who they believe exceed expectations in all facets of their work. Open nominations are accepted on a rolling basis and an external committee identifies finalists for the annual Fairmount Minerals Sustainable Development Employee of the Year award. Our 2011 winners are:

Best Sand	George Hubbard
Bridgman Resin	John Mazurik
Black Lab (Serena)	Melissa Noel
Wexford Sand	Vince Hamilton
Wisconsin Industrial Sand (Maiden Rock)	John Daleiden
Wisconsin Industrial Sand (Menomonie)	Mavis Anderson
Wisconsin Industrial Sand (Bay City)	Ron Crabtree
TechniSand Wedron	Ross Weber
Wedron Silica	Ron Hindt
TechniSand Troy Grove	Rob Kiefel
TechniSand Roff	Jami Ward
TechniSand Fresno	Vinh Le
Santrol Yixing Proppant	James Xia
Sales/Customer Service	Patty Backus
Technology (IT, R&D, Engineering)	Alan Van Zeeland
Admin Management (admin, logistics, purchasing, accounting, other)	Deb Schaefer*

\*Deb is the Bill Conway Founder's Award Winner – see Highlight Story on page 24

Total Employees per Category (domestic only)



Union vs. Non-Union (domestic only)



Age (domestic only)



Gender (domestic and international)



Race (domestic and international)



**HIGHLIGHT STORY: BILL CONWAY FOUNDER'S AWARD**

In 2011, Deb Schaefer received the prestigious Bill Conway Founder's Award. Deb works in administration at our Wedron Silica facility and has been an integral part of our sustainable development efforts for the last several years. An active participant in our health and wellness program from its inception, Deb also participates in the Quest for Eco-Efficiency (formerly QUEST) Team and serves as team lead for Wedron Silica's Wildlife Team.

Deb's commitment to and passion for sustainable development made our last several QUEST Education Days at Wedron Silica a big success. In 2011, the team decided to expand from one to two Education Days during Earth Week. Students from local schools visited the Fairmount facility to receive a hands-on education, and Deb was key in organizing the event. As the Wildlife Team lead, Deb is responsible for putting together Wedron Silica's Wildlife Habitat Council (WHC) re-certification application and submitting it in a timely manner – as well as making sure the facility stays on track with its continued efforts to stay WHC-certified. In addition to her volunteer work on Fairmount sustainability teams, Deb also completed more than 40 volunteer hours with non-profit organizations in 2011.

“THE WILDLIFE TEAM AT WEDRON SILICA WOULD NOT BE WHERE THEY ARE TODAY IF IT WEREN'T FOR DEB'S DEDICATION AND PASSION.”

- BECKY ANDREWS  
(Fairmount family member who nominated Deb)

## ETHICS AND DIVERSITY

Innovation comes from the diverse perspectives that an inclusive, inspiring culture helps to foster. As a global company, Fairmount Minerals' ability to understand and operate in a multicultural world is essential to our success. We embrace and respect the diverse cultures of our family members and believe it is these distinct attributes that make our organization an innovative and rewarding place to work. We are inclusive of all people regardless of physical, financial or social characteristics, and we do not tolerate harassment of any kind. Our goal is to attract and retain the best talent in the field, so we make employment decisions based on the skills and experience that meet our current or future business needs. Further, we respect our family members' right to join or refrain from joining legally authorized associations or organizations.

Fairmount Minerals adheres to the laws and regulations of the communities in which we operate and, in some instances, hold ourselves to standards that exceed legal requirements. Our Fairmount Minerals Code of Ethics, which is translated into the primary languages where we have a significant presence, outlines our expectations for fair labor practices and human rights. As a member of the United Nations Global Compact, we act in accordance with its Ten Principles for international human rights, labor, environment and ethical business practices.

INNOVATION COMES FROM THE DIVERSE PERSPECTIVES THAT AN INCLUSIVE, INSPIRING CULTURE HELPS TO FOSTER.



## TRAINING AND EDUCATION

Moments of inspiration often occur when we have an opportunity to listen to, share with and learn from others. Fairmount Minerals strives to provide our family members with inspiring training and education experiences that broaden and enhance skills and uncover new concepts and ideas. Talent development takes many forms at Fairmount Minerals, including training sessions for key functional areas, tuition reimbursement for full-time family members enrolled in undergraduate or graduate programs and professional certifications.

In 2011, the Fairmount Minerals University team focused on developing a framework for our corporate university program. As part of that work, they proposed a name change - FML Y.O.U. (Your Opportunity University) – to better reflect the team's vision. Based on our findings from a benchmarking process, we defined our scope, by-laws and success metrics for FML Y.O.U. that will serve as a strategic roadmap for our education program. Over the next year, we will launch four new FML Y.O.U. offerings that address key interest areas as defined by Fairmount family members. In 2012, we will focus on helping connect Fairmount family members with FML Y.O.U. offerings to increase participation in the program.

One major talent development milestone we reached in 2011 involves the launch of our on-boarding program for new Fairmount family members. The on-boarding program, offered twice a month via webinar, is designed to introduce new employees to the Fairmount Minerals culture. Representatives from various areas of the Fairmount organization cover topics including Appreciative Inquiry, sustainable development, human resources, quality, safety, environmental stewardship and information technology. We believe that a comprehensive on-boarding process helps to strengthen our culture and inspire new family members to creatively contribute to Fairmount Minerals' future success.



SAFETY

Fairmount Minerals takes an innovative approach to creating a safe work environment by focusing on the most important factor in safety: our people. Safety is about inspiring one another to proactively address risky behaviors and supporting each other in making safety a full-time commitment.



In September 2011, our elevated focus on safety helped us to achieve a major organizational goal – we exceeded one million safe working hours as a company. This means that all Fairmount family members came to work and went home safely over a period of one million work hours. Locations across Fairmount’s entire geographic footprint took time to celebrate this important milestone, which we commemorated by issuing a specially minted coin.

Fairmount Minerals’ comprehensive safety management program follows the criteria outlined in the internationally recognized Occupational Health and Safety Assessment Series (OHSAS) 18001 standard. In 2011, our Best Sand facility received OHSAS 18001 certification, which keeps us on track to having all Fairmount facilities OHSAS-certified by 2015.

We utilize a variety of safety initiatives and programs to continually inspire our people to make safety a priority. Through monthly safety meetings and location-specific health and safety committees, we discuss relevant safety topics and share best practices. Further, several facilities have expanded upon Fairmount’s behavioral-based safety program and peer review, which helps to proactively identify risky behaviors and reinforce positive behaviors. In 2012, we strive to have every facility achieve 366 (with leap year day included) consecutive safe working days. Our goal is to achieve 1.5 million hours, exceeding our goal from 2011.

As a result of these dedicated efforts, we continue to experience a decrease in the number of MSHA citations and to achieve an incident rate better than that of our peers. In addition, Fairmount family members continue to bring safety home to their own families and the community at-large. As we work toward our goal of having 100% of our family members trained in first aid and CPR, we strive to prepare our people to share their training with others in the community.

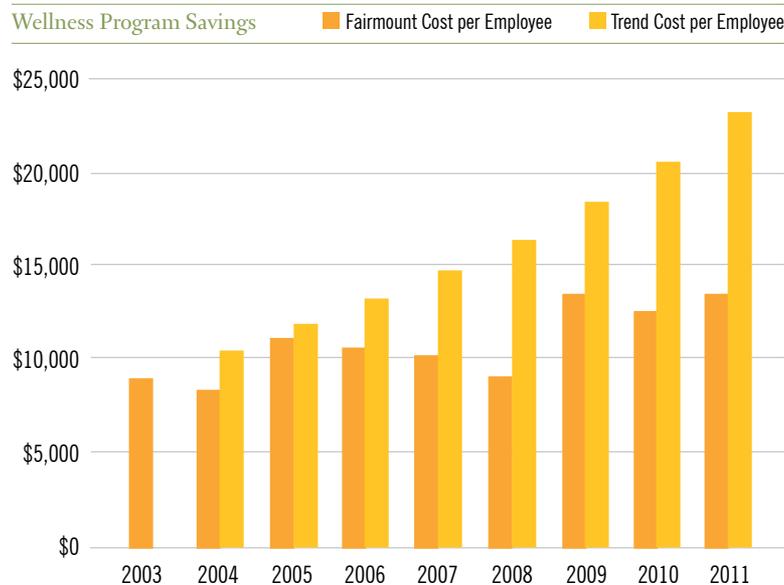
Incidence Rate	2007	2008	2009	2010	2011
Fairmount Minerals	2.4	3.9	3.5	3.1	2.9
Industry Average	3.3	3.3	3.1	3.3	3.0
Lost Time Rate	2007	2008	2009	2010	2011
Fairmount Minerals	1.0	1.2	0.7	0.6	0.5
Industry Average	1.2	1.7	1.7	1.1	1.1

HEALTH AND WELLNESS

We believe that inspiring and supporting our people in taking actionable steps toward a healthy lifestyle is one of the best things we can do for Fairmount Minerals and the extended Fairmount family. Fairmount Minerals’ health and wellness program focuses on engaging our people in addressing their overall well-being, which can lead to reduced health care costs, improved productivity and personal benefits to our extended Fairmount family.

For many years, we have used the results from voluntary, confidential Health Risk Assessments (HRA) to help us design programs to address key Fairmount family health risks. In 2011, we focused on helping our family members obtain or maintain a healthy body mass index (BMI). Through a partnership with Wellness Corp, we launched a new online tool that family members can use to create profiles for setting and tracking wellness goals. At our annual facility health fairs, Health and Wellness Team members encouraged others to complete the HRA and calculate a baseline BMI. Over the next year, we will track progress against these BMI baselines.

In 2012, we plan to increase participation in Fairmount Minerals’ health and wellness program, which is available to all full-time family members and significant others. With 58% of our family members, 45% of their spouses and 18% of their adult children currently participating in health and wellness activities, we seek to help others make wellness a priority in their lives. One way we will engage Fairmount family members is through fun, company-wide wellness challenges in the Spring and Fall. These challenges will be 6-8 weeks long so family members can focus on living healthy and maintaining momentum in their journey. We also plan to hold quarterly seminars on the topics of nutrition, exercise, weight management and stress to increase awareness of these critical wellness issues.



COMMUNITY INVESTMENT

Fairmount Minerals' inspiration to serve as a good corporate citizen is grounded in a desire to give back to the communities that provide us with so much of what we need to be successful – talented people, healthy economies and a social license to operate. In 2011, we wanted to tap into the passions of our Fairmount family members, connecting our charitable investments with organizations and causes that are near and dear to our people. To that end, we instituted the Volunteer Time Pledge concept, which asked Fairmount family members to pledge how many hours they wanted to volunteer for the year and in what capacity. We felt this would empower our family members to focus their valuable time on projects and activities that inspire them the most. While pledged time totaled 10,685 volunteer hours, we ended the year with 568 family members volunteering 12,417 hours in their communities.

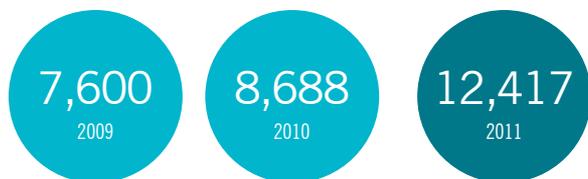
Total Donations by Category



Average Volunteer Hours per Employee



Total Volunteer Hours



The Fairmount Minerals Foundation focuses on one critical topic area annually and, in 2011, we sought to make a difference related to education in our communities. Fairmount's Social Responsibility Team as well as site committees came together to support the Foundation in targeting local schools where we could enhance K-12 education programs and institutions. Our goal was to provide the communities in which our people live and work with resources that would help children, families and neighborhoods.

In 2012, Fairmount Minerals' Social Responsibility Team will launch Fairmount C.O.R.E.S. (Community Out Reach and Engagement in Sustainability), a program that encourages groups of Fairmount family members to participate in a volunteer project of their choice. Fairmount Minerals will help fund the project and allow family members the time away from work, during regular work hours, to complete the projects.

HIGHLIGHT STORY: FAIRMOUNT MINERALS REMEMBERS SEPTEMBER 11<sup>TH</sup>

For many years, Fairmount Minerals has sought to offset our greenhouse gas emissions by partnering with organizations that promote or participate in tree planting projects. In 2011, we dedicated a portion of our tree donations to the Flight 93 National Memorial near Shanksville, Pennsylvania, a site that recognizes and celebrates the individuals lost on Flight 93 during the attacks on September 11, 2001.

On the 10<sup>th</sup> anniversary of September 11<sup>th</sup>, several members of Fairmount Minerals' QUEST Team and their families visited the Flight 93 National Memorial, where our \$10,000 donation to the National Park Foundation enabled 150,000 new trees to be planted. As part of the ceremony, several team members had the honor of meeting President Barack Obama and First Lady Michelle Obama, who were there to commemorate the memorial. Christi Crites, daughter of Fairmount family member Don Crites, made us all proud by earning second place in an essay contest that was part of the memorial ceremony.



# 10

## PLANET

*"Feel the rain on your skin. No one else can feel it for you. Only you can let it in..."*

### ENVIRONMENTAL MANAGEMENT

Fairmount Minerals' environmental stewardship practices are inspired by a desire to leave the planet in a condition that will support future generations. Our approach to environmental responsibility is grounded in an environmental management system aligned with the universal ISO 14001 standard. This system ensures that we maintain, and where feasible, exceed, compliance with environmental standards and regulations. In 2011, our Wedron facility successfully completed an internal compliance audit and officially received ISO 14001 certification, which means 55% of all Fairmount Minerals facilities now have ISO 14001 certification status.

### ENERGY AND CLIMATE CHANGE

As the U.S. Energy Information Administration projects global energy consumption to grow by approximately 50% over the next 30 years, Fairmount Minerals recognizes the opportunity to participate in an energy revolution, one that reduces dependence on fossil fuels, improves energy efficiency and addresses the key impacts associated with climate change.

In 2011, Fairmount Minerals reduced normalized Scope 1 and Scope 2 greenhouse gas emissions by 6% over the previous year and by 7% over our baseline. With a bold goal to reduce carbon emissions by 10% by 2015, we are on track to achieve our reduction targets. Going forward, we intend to track, improve and offset our Scope 3 greenhouse gas emissions.

One of the ways in which we are improving our carbon footprint is through increasing use of renewable energy. Building upon our successful solar array project at Best Sand in 2010, we partnered with Bold Alternatives, an alternative energy firm, to install a solar array at our Menomonie, Wisconsin facility in 2011. The array currently supplies one percent of the facility's total energy draw, as well as completely offsets the energy usage for the office building. While this may not seem like a significant contribution to our energy needs, we anticipate a 6-8 year payback on the project, which will allow us to continue to invest in alternative energy opportunities. Further, the solar array represents an important educational tool for our community. As part of the installation, we hosted students from the local Chippewa Valley Technical College so they could observe and participate in the process.

In addition to alternative energy, we sought to improve efficiency across transportation and logistics activities. We focused on improving rail car loading time and identified ways to streamline trips, such as loading and unloading the same product on rail cars as they are coming in and out of a particular facility, to reduce the number of empty cars leaving a facility.

While we do our best to reduce our carbon footprint every day, we recognize that our business activities have an impact. Therefore, we conduct a number of activities to sequester our carbon emissions. In 2011, we donated more than 57,000 trees of a variety of species while planting 23 acres of native grassland to fully offset our Scope 1 and Scope 2 emissions. A portion of our trees were donated to local conservation and education programs, including the Kirtland Warbler recovery program in Michigan and the Burnside School Environmental Learning Center in Red Wing, Minnesota to provide students with access to maple trees to learn about the extraction process.

In support of our reduction and offset targets, we merged our Eco-Efficiency and QUEST teams (now known as the Quest for Eco-Efficiency (QEE Team) in 2011. The combined team will focus on energy efficiency projects and carbon offset activities. Further, we continue to educate Fairmount family members on energy consumption and carbon footprint as a means of raising awareness and inspiring behavior changes that can save energy both at work and at home.

#### Absolute Energy Use (gigajoules)

	2008	2009	2010	2011
Direct Energy	1,317,577	1,148,762	1,427,347	1,313,243
Indirect Energy	299,001	269,339	338,707	803,572
Total Energy	1,616,578	1,418,101	1,766,054	2,116,815

#### Fuel Use by Type

1% Biodiesel gal	5% Biodiesel gal	10% Biodiesel gal	20% Biodiesel gal	Diesel #2 gal
65,289	52,507	110,595	45,000	585,435
Electricity kW-hr.	Fuel #400 gal	Gasoline gal	Liquid Propane gal propane	Natural Gas Mcf
104,757,058	487,810	28,933	2,528,869	1,200,178

#### Normalized GHG Emissions\*



\*In previous years we have reported GHG data by pounds of CO<sub>2</sub> equivalents per ton of product produced. This year and going forward we will report on a more consistent methodology of normalizing GHG data by tons of product shipped.

#### WASTE AND RECYCLING

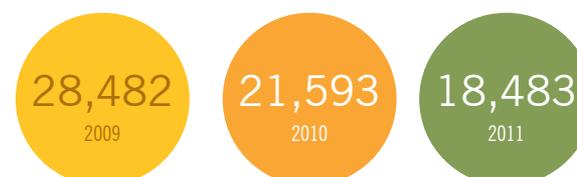
Fairmount Minerals' global mining and manufacturing operations ensure that we responsibly deliver industrial sand products to customers around the world. As we grow our business in a world of finite natural resources and heightened stakeholder expectations, we must continually find ways to improve our recycling activities and work toward our vision of zero waste.

As we strive to achieve zero waste-to-landfill by 2015, we have accomplished annual reductions of 20% every year since 2010. Over the next year, our Best Sand facility is on track to achieve zero waste-to-landfill by partnering with a local organization. This partner possesses a technology that melts plastics into liquid petroleum, which can be reused as a fuel source.

Our 3R Team has partnered with our Best Practices Team to support waste improvement efforts through waste "treasure hunts" at several facilities. These hunts allow us to identify waste and recycling best practices that can be shared with the entire organization. For instance, at our new Alpha Resin facility in Detroit, Michigan, Fairmount family members have initiated a new recycling program and are looking at opportunities to reduce scrap resin-coated sand by partnering with cement plants that can reuse this material.

In support of our material reuse efforts, Fairmount Minerals participates in the United States Business Council for Sustainable Development (US BCSD) by-product synergy group. We are currently evaluating opportunities to partner with other organizations that can reuse our scrap sand, foundry sand and foreign plastics. In 2011, we saved nearly \$295,000 recycling or reusing our scrap sand.

#### Total Waste-to-Landfill (cubic yards)



## LAND RESTORATION

Fairmount Minerals recognizes that our business activities have an environmental impact and that we must apply innovative practices to ensure we do all that we can to leave our sites in a condition equal to or better than we found them. One way that we achieve this is through Fairmount Minerals' commitment to biodiversity and site restoration planning.

For many years we have worked with the Wildlife Habitat Council (WHC), an organization dedicated to partnering with businesses on voluntary wildlife habitat enhancement and conservation education programs. In 2011, we completed plant inventory lists documenting native, non-native and invasive species at all WHC-certified Fairmount locations. Currently, 10 out of 19 Fairmount facilities are WHC-certified, which exceeds our certification goal. Over the next year, we plan to receive certification at three additional facilities.

We also continue to focus on inspiring Fairmount family members and our communities to recognize the value of biodiversity. At our Wedron Silica facility in Illinois, Fairmount Minerals hosted an Earth Day 2011 event that involved two full days of educating 253 students on topics such as pollinators and native prairie grass. At our Menomonie facility in Wisconsin, we worked with a local Girl Scouts chapter to conduct stream monitoring and healthy water education as part of our Corporate Lands for Learning certification.

### HIGHLIGHT STORY: PARTY IN THE PIT GOES ZERO LANDFILL

One aspect of our commitment to sustainable development involves inspiring our communities to proactively address waste impacts. In 2011, our Best Sand facility hosted a "Party in the Pit," with more than 1,500 people in attendance, including Fairmount family members, community members, vendors, and suppliers. The open house event featured several sustainability education booths that provided tips on energy, waste and water efficiency efforts at home and specifically highlighted Fairmount's commitment to zero waste-to-landfill. Organizers worked to make the open house a "zero landfill" event, utilizing recyclable and compostable plates and utensils, providing easily accessible recycle bins and compost bins.

## CLEAN WATER

The challenges associated with global water scarcity require innovative solutions. As a company that needs access to water to successfully operate, we strive to sustainably use this important natural resource. We proactively assess our water needs balanced with the needs of our local communities and continue to identify opportunities to increase water reuse practices.

In 2011, we focused on educating Fairmount family members on sustainable water use. Our Clean Water Team developed exhibits for local open houses and community events, which included information on sustainable water use at home.

We also completed a water footprint at two Fairmount facilities in 2011 and are working towards implementing this process at all facilities in 2012. Beyond our own operations, Fairmount Minerals' Water Solutions division continues to focus on improving global water supply through filtration services for surface water, ground water, and municipal and industrial waste.

### HIGHLIGHT STORY: INSPIRING OTHERS THROUGH ONE PERSON'S PASSION

As part of Fairmount Minerals' commitment to providing global access to clean water, we continue our relationship with Aqua Clara International. Aqua Clara is a nonprofit organization that provides the technology and training to deliver safe, affordable drinking water to families and individuals who subsist on less than \$2 per day.

In 2011, we partnered with Katie Spatz, a young woman who raised over \$150,000 and increased global awareness of the lack of clean drinking water for millions during her 3,038-mile Atlantic Ocean row and a team bicycle race across America. Fairmount Minerals sponsored Katie's December 2011 trip to Kenya, where she visited communities touched by Aqua Clara. Over the next year, Fairmount Minerals will work with Katie to develop a program for middle school and high school students that supports Aqua Clara. The program is slated to begin in April 2012 and the goal is to raise at least \$60,000.



# 11

## PROSPERITY

"Today is where your book begins. The rest is still unwritten."

### ECONOMIC IMPACTS

Our prosperity is contingent upon healthy, sustainable economies, and it is this relationship that drives our efforts to support economic development wherever we do business. When we enter a community, we do so with the knowledge that we are making an investment in establishing a life-long operation as well as an investment in the people and community around it. This investment takes the form of jobs, tax revenue and charitable contributions and the indirect economic impacts created throughout our value chain. Our contributions to the local economy are reciprocated by a social license to operate, which is essential to Fairmount Minerals' ongoing success.

### EBITDA



## SUSTAINABLE VALUE CHAIN

Across Fairmount Minerals' value chain, we are inspired by the innovation and creativity our suppliers demonstrate. Similarly, we hope that our commitment to sustainable development provides inspiration for our business partners to develop innovative, sustainable product and process breakthroughs.

Since implementing our Sustainable Supplier Code of Conduct in 2008, Fairmount Minerals remains committed to communicating its objectives to our value chain partners. We understand that our commitment to sustainability extends far beyond any Fairmount Minerals property line, so we continue to work with our suppliers to help them elevate their awareness of sustainable development and improve our value chain impacts.

Following our 2011 Appreciative Inquiry summit, Fairmount Minerals re-created and re-purposed our Sustainable Supply Chain Team to be more inclusive of our value chain partners. The refreshed "Sustainable Value Chain" Team will continue the initiatives introduced by the Sustainable Supply Chain Team while expanding our scope to include suppliers and customers more actively in our culture.

In 2011, we continued our successful bulk bag recycling program, expanding the offering to customers and continuing to work with our suppliers to join the program. The reusable and recyclable bulk bags saved us \$1.5 million in 2011 and diverted 328,000 pounds of waste that would have gone to landfill.

Partnering with transportation vendors has also emerged as an increasingly important aspect of our sustainable value chain efforts. In 2011, we developed a system to track carriers to ensure compliance with the Federal Motor Carrier Safety Administration's Compliance, Safety and Accountability (CSA) initiative. As part of CSA, carriers are measured and evaluated based on safety performance metrics. Our new system tracks carriers' CSA evaluations to help inform the business partnership decisions we make. In addition, our focus on intermodal transportation opportunities has helped to uncover partnerships that will improve logistics, fuel efficiency and our transportation-related carbon footprint.

## INNOVATION

Like the theme of our 2011 Appreciative Inquiry summit – "Inspiring Innovation through Our Commitment to People, Planet & Prosperity" – we make innovation a central theme in all that we do as an organization. From encouraging one another to share ideas to developing processes that bring bold new opportunities to the forefront, Fairmount Minerals strives to enable the innovation that will keep us successful today and into the future.

Throughout the summit, we brought our people, our business partners and different speakers together to inspire creative thinking. Building off of each others' ideas, we designed dozens of new projects and initiatives that our SD Teams will implement over the next few years.

Beyond collaborating at the summit, we are committed to partnering with external stakeholders to address critical business needs in the areas of product innovation, quality and testing. In one instance, collaboration with an outside research firm enabled Fairmount Minerals to reduce product testing time from an average of three weeks to two days. This greatly accelerates our time to market and helps bring new, innovative solutions to our customers more efficiently.

Our dedicated Business Innovation Team focuses on creating the framework to enable innovation to flourish at Fairmount Minerals. In 2011, the Business Innovation Team conducted a brainstorm session to strengthen team capabilities, explore tools to improve our culture of innovation, and develop a structure and a process for innovation. Over the next year, the team will focus on three key areas: innovation process, innovation strategy and innovation culture.

# 12

## CONCLUSION

INSPIRING INNOVATION THROUGH OUR COMMITMENT TO PEOPLE, PLANET AND PROSPERITY

In 2011, we challenged our Fairmount family members, customers, suppliers and neighbors to “bring your inspired self” and imagine possibilities for the future. Our commitment to People, Planet and Prosperity serves as the foundation in all that we do, and we strive to lead by example – to help inspire others who seek to embrace the possibility of a sustainable world.

# 13

## GRI INDEX

The full GRI Content Index is available at [www.fairmountminerals.com/2011csr](http://www.fairmountminerals.com/2011csr)

○ Fully
 ○ Partially
 ● Not

### STANDARD DISCLOSURES PART I: PROFILE DISCLOSURES

PROFILE DISCLOSURE	DESCRIPTION	REPORTED	CROSS-REFERENCE/DIRECT ANSWER
<b>1. STRATEGY AND ANALYSIS</b>			
1.1	Statement from the most senior decision-maker of the organization.	○	Message from Our CEO (pages 1-2)
1.2	Description of key impacts, risks, and opportunities.	○	Strategy for Sustainability (pages 9-11)
<b>2. ORGANIZATIONAL PROFILE</b>			
2.1	Name of the organization.	○	Organization Profile (pages 5-6)
2.2	Primary brands, products, and/or services.	○	Organization Profile (pages 5-6)
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	○	Organization Profile (pages 5-6)
2.4	Location of organization's headquarters.	○	Organization Profile (pages 5-6)
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	○	Organization Profile (pages 5-6)
2.6	Nature of ownership and legal form.	○	Organization Profile (pages 5-6)
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	○	Organization Profile (pages 5-6)
2.8	Scale of the reporting organization.	○	Organization Profile (pages 5-6)
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	○	We do not have any significant changes to report.
2.10	Awards received in the reporting period.	○	<ul style="list-style-type: none"> <li>• Gold Level Award from the Illinois Association of Aggregate Producers (IAAP) Rock Solid Safety Program</li> <li>• Fairmount Water Solutions received Green Ribbon Award for excellence in environmental programs, policies and initiatives</li> <li>• Wildlife Habitat Council (Wildlife at Work)                             <ul style="list-style-type: none"> <li>◦ Recertification (Wildlife at Work) for CACM, Best Sand and Wexford</li> <li>◦ Recertification (Corporate Lands for Learning) for Wisconsin Industrial Sand – Maiden Rock</li> </ul> </li> <li>• Weatherhead 100 Centurion Award Winner</li> <li>• Lake-Geauga Fast Track 50 Winner</li> <li>• Corporate Neighbor of the Year from Volunteer Center of Southwest Michigan</li> <li>• Wedron Silica received “Others” award from the Salvation Army of LaSalle County which honors extraordinary service to others</li> </ul>
<b>3. REPORT PARAMETERS</b>			
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	○	About This Report (pages 3-4)
3.2	Date of most recent previous report (if any).	○	About This Report (pages 3-4)
3.3	Reporting cycle (annual, biennial, etc.).	○	About This Report (pages 3-4)
3.4	Contact point for questions regarding the report or its contents.	○	About This Report (pages 3-4)

PROFILE DISCLOSURE	DESCRIPTION	REPORTED	CROSS-REFERENCE/DIRECT ANSWER
3.5	Process for defining report content.	⊙	We align report content with the topics and issues addressed by our Sustainable Development Teams and sustainability programs across Fairmount Minerals. Our SD Teams develop annual goals based on external stakeholder feedback as well as internal analysis of key environmental, social and economic issues. The SD Team goals and associated programs and projects become the primary components of Fairmount Minerals' sustainability strategy. The content of this report focuses primarily on the programs and strategy developed by our SD Teams and approved by our SD Advisory Committee. These programs and strategy align with what we believe to be our most relevant and material sustainability risks and opportunities.
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	⊙	About This Report (pages 3-4)
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	⊙	About This Report (pages 3-4)
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	⊙	About This Report (pages 3-4)
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	⊙	About This Report (pages 3-4)
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	⊙	About This Report (pages 3-4)
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	⊙	About This Report (pages 3-4)
3.12	Table identifying the location of the Standard Disclosures in the report.	⊙	GRI Content Index
3.13	Policy and current practice with regard to seeking external assurance for the report.	⊙	We choose to review our report content internally as opposed to engaging an external auditor.
<b>4. GOVERNANCE, COMMITMENTS, AND ENGAGEMENT</b>			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	⊙	Governance (pages 7-8)
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	⊙	Matt LeBaron, managing director at American Securities, serves as Fairmount Minerals' Board Chairman.
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	⊙	Governance (pages 7-8)
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	⊙	Stakeholder Engagement (pages 12-14)
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	⊙	All Fairmount Minerals non-union employees, including senior managers and executives, may be eligible for bonus compensation based on business metrics and the completion of our annual Bold Goals for sustainable development.
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	⊙	Governance (pages 7-8)
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	⊙	Governance (pages 7-8)
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	⊙	Governance (pages 7-8)

PROFILE DISCLOSURE	DESCRIPTION	REPORTED	CROSS-REFERENCE/DIRECT ANSWER
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	⊙	Message from Our CEO (pages 1-2) Strategy for Sustainability (pages 9-11)
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	⊙	2011 Performance (pages 15-18)
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	⊙	Strategy for Sustainability (pages 9-11)
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	⊙	Stakeholder Engagement (pages 12-14)
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	⊙	Stakeholder Engagement (pages 12-14)
4.14	List of stakeholder groups engaged by the organization.	⊙	Stakeholder Engagement (pages 12-14) Fairmount's stakeholders are employees, customers, suppliers, neighbors, non-profit partners.
4.15	Basis for identification and selection of stakeholders with whom to engage.	⊙	Stakeholder Engagement (pages 12-14) We define "stakeholder" as any group or individual who has some degree of influence over our organization and/or any group or individual who is affected by our organization. For our 2011 Summit, we followed an inclusive process in identifying and selecting stakeholders with whom we engaged: <b>Customers:</b> Sales representatives from our key businesses identified customers whose perspective could help inform our innovation dialogue. <b>Community &amp; Non-profit partners:</b> Members from our Social Responsibility Team in each region identified key community members and partner organizations who could share ideas about important topics to our local communities. <b>Suppliers:</b> Members from our Supply Chain group identified suppliers to participate in the innovation dialogue. <b>Miscellaneous:</b> Members of our leadership and management team identified additional stakeholders to participate in the Summit
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	⊙	Stakeholder Engagement (pages 12-14)
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	⊙	Stakeholder Engagement (pages 12-14) Strategy for Sustainability (pages 9-11) The topics raised through stakeholder engagement are vetted in our annual Bold Goal setting process. Those topics are then integrated into our annual sustainability goals, which orient our sustainability performance annually.

## STANDARD DISCLOSURES PART II: DISCLOSURES ON MANAGEMENT APPROACH (DMAS)

PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE/DIRECT ANSWER
<b>DISCLOSURE ON MANAGEMENT APPROACH EC</b>			
DMA EC	Economic performance	⊙	Economic Impacts (page 38)
DMA EC	Market presence	⊙	Economic Impacts (page 38)
DMA EC	Indirect economic impacts	⊙	Economic Impacts (page 38)
<b>DISCLOSURE ON MANAGEMENT APPROACH EN</b>			
DMA EN	Materials	⊙	Land Restoration (page 35)
DMA EN	Energy	⊙	Energy and Climate Change (pages 32-33)
DMA EN	Water	⊙	Clean Water (page 36)
DMA EN	Biodiversity	⊙	Land Restoration (page 35)
DMA EN	Emissions, effluents and waste	⊙	Waste and Recycling (page 34)
DMA EN	Products and services	⊙	Strategy for Sustainability (pages 9-11) Innovation (page 37)
DMA EN	Compliance	⊙	Environmental Management (page 32)
DMA EN	Transport	⊙	Energy and Climate Change (pages 32-33)
DMA EN	Overall	⊙	Environmental Management (page 32)
<b>DISCLOSURE ON MANAGEMENT APPROACH LA</b>			
DMA LA	Employment	⊙	Land Restoration (page 35)
DMA LA	Labor/management relations	⊙	Energy and Climate Change (pages 32-33)
DMA LA	Occupational health and safety	⊙	Clean Water (page 36)
DMA LA	Training and education	⊙	Land Restoration (page 35)
DMA LA	Diversity and equal opportunity	⊙	About This Report (pages 3-4)
DMA LA	Equal remuneration for women and men	⊙	About This Report (pages 3-4)
<b>DISCLOSURE ON MANAGEMENT APPROACH HR</b>			
DMA HR	Investment and procurement practices	⊙	Sustainable Value Chain (page 39)
DMA HR	Non-discrimination	⊙	Ethics and Diversity (page 25)
DMA HR	Freedom of association and collective bargaining	⊙	Ethics and Diversity (page 25)
DMA HR	Child labor	⊙	Ethics and Diversity (page 25)
DMA HR	Prevention of forced and compulsory labor	⊙	Ethics and Diversity (page 25)
DMA HR	Security practices	●	
DMA HR	Indigenous rights	●	
DMA HR	Assessment	⊙	Ethics and Diversity (page 25)
DMA HR	Remediation	⊙	Ethics and Diversity (page 25)
<b>DISCLOSURE ON MANAGEMENT APPROACH SO</b>			
DMA SO	Local communities	⊙	Strategy for Sustainability (pages 9-11) Community Investment (pages 29-30)
DMA SO	Artisanal and small-scale mining	⊙	Economic Impacts (page 38)
DMA SO	Resettlement	⊙	Stakeholder Engagement (pages 12-14) Economic Impacts (page 38)
DMA SO	Closure planning	⊙	Strategy for Sustainability (pages 9-11) Economic Impacts (page 38)
DMA SO	Grievance mechanisms and procedures	⊙	Stakeholder Engagement (pages 12-14)
DMA SO	Emergency Preparedness	⊙	Strategy for Sustainability (pages 9-11) Community Investment (pages 29-30)
DMA SO	Corruption	⊙	Ethics and Diversity (page 25)
DMA SO	Public policy	⊙	Stakeholder Engagement (pages 12-14)
DMA SO	Anti-competitive behavior	⊙	Ethics and Diversity (page 25)
DMA SO	Compliance	⊙	Ethics and Diversity (page 25)
<b>DISCLOSURE ON MANAGEMENT APPROACH PR</b>			
DMA PR	Materials stewardship	⊙	Sustainable Value Chain (page 39)
DMA PR	Customer health and safety	⊙	Innovation (page 40)
DMA PR	Product and service labelling	⊙	Innovation (page 40)
DMA PR	Marketing communications	⊙	Innovation (page 40)
DMA PR	Customer privacy	●	
DMA PR	Compliance	⊙	Innovation (page 40)

## STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS

PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE/DIRECT ANSWER
<b>ECONOMIC</b>			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	○	Economic Impacts (page 38) Community Investment (pages 29-30)
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	⊙	Strategy for Sustainability (pages 9-11)
EC3	Coverage of the organization's defined benefit plan obligations.	⊙	Exceptional Workplace (pages 22-24) We offer an employee stock bonus plan and two defined benefit plans. We also offer a 401K option to our employees.
EC4	Significant financial assistance received from government.	⊙	We do not receive significant financial assistance from local or federal governments.
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	⊙	Our standard entry level wage meets, or exceeds, local minimum wage requirements at all Fairmount Minerals locations.
EC6	Policy, practices, and proportion of spending on locally based suppliers at significant locations of operation.	○	Economic Impacts (page 38)
EC7	Procedures for local hiring and proportion of senior management and workforce hired from the local community at significant locations of operation.	○	Economic Impacts (page 38)
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	⊙	Community Investment (pages 29-30)
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	⊙	Economic Impacts (page 38)
<b>ENVIRONMENTAL</b>			
EN1	Materials used by weight or volume.	○	Land Restoration (page 35)
EN2	Percentage of materials used that are recycled input materials.	●	Waste and Recycling (page 34)
EN3	Direct energy consumption by primary energy source.	⊙	Energy and Climate Change (pages 32-33)
EN4	Indirect energy consumption by primary source.	⊙	Energy and Climate Change (pages 32-33)
EN5	Energy saved due to conservation and efficiency improvements.	⊙	Energy and Climate Change (pages 32-33)
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	⊙	Energy and Climate Change (pages 32-33) Innovation (page 40)
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	⊙	Energy and Climate Change (pages 32-33)
EN8	Total water withdrawal by source.	○	Clean Water (page 36)
EN9	Water sources significantly affected by withdrawal of water.	○	Clean Water (page 36)
EN10	Percentage and total volume of water recycled and reused.	○	Clean Water (page 36) We employ a closed-loop process at our mining facilities, which enables Fairmount Minerals to recycle and reuse the majority of water needed for our processes.
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	○	Land Restoration (page 35)
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	⊙	Environmental Management (page 32) Land Restoration (page 35)
MM1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated.	⊙	Land Restoration (page 35)
EN13	Habitats protected or restored.	⊙	Land Restoration (page 35)
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	⊙	Strategy for Sustainability (pages 9-11) Land Restoration (page 35)
MM2	The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria, and the number (percentage) of those sites with plans in place.	⊙	All Fairmount mining operations have a complete (or are in the process of completing) site reclamation plans, which include invasive species inventories and biodiversity impact assessments.

PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE/DIRECT ANSWER
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	○	Land Restoration (page 35)
EN16	Total direct and indirect greenhouse gas emissions by weight.	⊙	Energy and Climate Change (pages 32-33) We follow the World Resources Institute/ World Business Council for Sustainable Development Greenhouse Gas Protocol in calculating carbon footprint.
EN17	Other relevant indirect greenhouse gas emissions by weight.	⊙	Energy and Climate Change (pages 32-33)
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	⊙	Energy and Climate Change (pages 32-33)
EN19	Emissions of ozone-depleting substances by weight.	⊙	We had no releases in 2011.
EN20	NO <sub>x</sub> , SO <sub>x</sub> , and other significant air emissions by type and weight.	⊙	We do not have any HAPs emissions to report.
EN21	Total water discharge by quality and destination.	●	Clean Water (page 36)
EN22	Total weight of waste by type and disposal method.	⊙	Waste and Recycling (page 34)
MM3	Total amounts of overburden, rock, tailings, and sludges and their associated risks.	●	
EN23	Total number and volume of significant spills.	⊙	We do not have any spills to report.
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	⊙	We do not produce any hazardous waste.
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	○	Clean Water (page 36) Land Restoration (page 35)
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	⊙	Environmental Management (page 32) Innovation (page 40)
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	●	Sustainable Value Chain (page 39)
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	⊙	We comply with all environmental laws and regulations.
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	⊙	Energy and Climate Change (pages 32-33)
EN30	Total environmental protection expenditures and investments by type.	⊙	In 2011, we invested \$1.9 million in sustainable development team projects and the Appreciative Inquiry Summit, which focused on our sustainability performance.
<b>SOCIAL: LABOR PRACTICES AND DECENT WORK</b>			
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	○	Organization Profile (pages 5-6) Exceptional Workplace (pages 22-24)
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	○	Exceptional Workplace (pages 22-24) Our employee turnover rate is 13 percent.
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	⊙	Exceptional Workplace (pages 22-24)
LA15	Return to work and retention rates after parental leave, by gender.	●	
LA4	Percentage of employees covered by collective bargaining agreements.	⊙	Exceptional Workplace (pages 22-24)
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	⊙	We follow the minimum notice periods specified by the WARN Act whenever applicable.
MM4	Number of strikes and lock-outs exceeding one week's duration, by country.	⊙	We do not have any strikes or lockouts to report.
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	⊙	Safety (page 27) In addition to site-specific, joint management-worker health and safety committees, we also have a Safety Sustainable Development team that focuses on developing and implementing occupational health and safety projects.

PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE/DIRECT ANSWER
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	○	Safety (page 27) We achieved a longstanding safety goal in 2011 by exceeding one million consecutive safe working hours as an organization. We have no fatalities to report for 2011.
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	⊙	Health and Wellness (page 28)
LA9	Health and safety topics covered in formal agreements with trade unions.	⊙	Safety (page 27)
LA10	Average hours of training per year per employee by gender, and by employee category.	○	Training and Education (page 26) On average, all Fairmount family members receive eight hours of safety training annually.
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	⊙	Training and Education (page 26)
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	⊙	Training and Education (page 26)
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	○	Governance (page 8) Exceptional Workplace (pages 22-24)
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	●	Our Equal Employment Opportunities policy ensures that we provide equitable pay regardless of gender or other indicators of diversity.
<b>SOCIAL: HUMAN RIGHTS</b>			
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	⊙	While we do not conduct a specific human rights screening of significant investment agreements, we do factor social risks into our due diligence process. Further, we review our suppliers based on a voluntary sustainable supplier checklist, which includes criteria pertaining to human rights issues.
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	⊙	Sustainable Value Chain (page 39) One hundred percent of our suppliers are invited to complete a voluntary sustainable supplier checklist, which includes criteria pertaining to human rights issues.
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	⊙	We do not provide specific training on policies and procedures concerning aspects of human rights.
HR4	Total number of incidents of discrimination and corrective actions taken.	⊙	We do not have any incidents of discrimination to report.
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	⊙	We do not have any operations in which the right to exercise freedom of association and collective bargaining are at significant risk.
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	⊙	We do not have any operations in which child labor presents a significant risk.
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	⊙	We do not have any operations in which forced or compulsory labor presents a significant risk.
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	⊙	We do not employ any security personnel.
MM5	Total number of operations taking place in or adjacent to Indigenous Peoples' territories, and number and percentage of operations or sites where there are formal agreements with Indigenous Peoples' communities.	⊙	We do not operate on or adjacent to indigenous peoples' territories.
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	⊙	We do not have any incidents to report.
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	⊙	We do not currently conduct human rights reviews or impact assessments at our facilities.

PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE/DIRECT ANSWER
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	⊙	We did not have any grievances related to human rights filed in 2011.
<b>SOCIAL: SOCIETY</b>			
S01 (MMSS)	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	⊙	Strategy for Sustainability (pages 9-11) All Fairmount mining operations have complete (or are in the process of completing) site reclamation plans, which include invasive species inventories and biodiversity impact assessments. In addition, all Fairmount facilities seek to assess and contribute to the well-being of the local community through stakeholder engagement activities, including open house events, community health fairs, local volunteer projects and more.
S01 (G3.1)	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	⊙	All Fairmount Minerals locations have a local community engagement program and conduct broad impact assessments. Each facility has separate budgets for community investment, and local Fairmount family members make decisions about the allocation of those funds.
MM6	Number and description of significant disputes relating to land use, customary rights of local communities and Indigenous Peoples.	⊙	We do not have any disputes related to land use to report.
MM7	The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and Indigenous Peoples, and the outcomes.	⊙	We do not have any disputes related to land use to report.
MM8	Number (and percentage) or company operating sites where artisanal and small-scale mining (ASM) takes place on, or adjacent to, the site; the associated risks and the actions taken to manage and mitigate these risks.	⊙	We do not operate any artisanal or small-scale mines.
MM9	Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process.	⊙	We do not have any resettlements to report.
MM10	Number and percentage of operations with closure plans.	⊙	Strategy for Sustainability (pages 9-11) Every Fairmount mining operation has or is in the process of developing a site restoration plan, which take into account ongoing restoration activities leading up to the closure of any facilities. By investing in long-life operations, we ensure we do not enter and exit communities over a relatively short time frame.
S09	Operations with significant potential or actual negative impacts on local communities.	⊙	Each Fairmount facility has a unique set of environmental, social and economic impacts on the community that we strive to proactively address through stakeholder engagement, safety and environmental management plans and sustainable development programs. Based on our understanding and assessment of site-specific impacts, we do not identify any significant negative issues. Should local stakeholders raise an issue related to our operations, we welcome the opportunity to co-create solutions that meet our stakeholders' needs and support our broad organizational objectives.
S010	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	⊙	Stakeholder Engagement (pages 12-14) While we have not identified any operations with significant negative impacts on local communities, we frequently engage with local stakeholders through community meetings, open houses and individual conversations to understand emerging issues and design relevant prevention and mitigation plans.
S02	Percentage and total number of business units analyzed for risks related to corruption.	⊙	While we do not conduct business unit analysis related specifically to corruption risks, we do incorporate compliance risk assessment as part of our broad risk management processes.

PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE/DIRECT ANSWER
S03	Percentage of employees trained in organization's anti-corruption policies and procedures.	⊙	We do not currently conduct anti-corruption training, but we do provide all Fairmount Minerals family members with a copy of our Code of Ethics, which outlines our expectations relative to ethical behavior.
S04	Actions taken in response to incidents of corruption.	⊙	We do not have any incidents to report.
S05	Public policy positions and participation in public policy development and lobbying.	⊙	Our participation in public policy development occurs through our involvement with trade associations, including the Industrial Minerals Association of North America (IMA-NA).
S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	⊙	We do not have any political contributions to report.
S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	⊙	We do not have any legal issues to report.
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	⊙	We comply with all relevant laws and regulations.
<b>SOCIAL: PRODUCT RESPONSIBILITY</b>			
MM11	Programs and progress relating to materials stewardship.	⊙	Innovation (page 40) Our sustainable development product charter, which defines criteria for assessing environmental and social impacts of our products and processes, includes analysis of raw material inputs.
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	⊙	Innovation (page 40)
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	⊙	We comply with all product regulations and voluntary codes.
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	⊙	We require and provide Material Safety Data Sheets (MSDS) to ensure employees, customers and emergency personnel have the information and procedures necessary for handling or working with substances in a safe manner.
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	⊙	We comply with all regulations and voluntary codes concerning product and service information and labeling.
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	⊙	We survey customers to understand satisfaction related to products and quality. In 2011, our customer satisfaction index reached 99 percent.
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	⊙	While we do not have a specific program, we ensure that our marketing communications meet all laws, standards and voluntary codes, especially as it pertains to sustainability claims.
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	⊙	We comply with all regulations and voluntary codes concerning marketing communications.
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	⊙	We do not have any breaches of customer privacy or data to report.
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	⊙	We comply with all laws and regulations concerning the provision and use of products and services.



# FAIRMOUNT Minerals

P.O. Box 87  
11833 Ravenna Road  
Chardon, Ohio 44024  
(800) 237-4986



This report is printed on Mohawk Options PC 100 Cream White 100DTC and 100T, which contains 100% post-consumer waste fiber. These papers are certified by Green Seal and SmartWood in accordance with FSC standards, and manufactured with windpower.

Report is printed with Superior Super ink, 25-30% vegetable base.

---

Words and Music by Natasha Bedingfield, Danielle Brisebois and Wayne Rodrigues  
© 2004 EMI MUSIC PUBLISHING LTD., EMI BLACKWOOD MUSIC INC., GATOR BABY and WSRJ MUSIC  
All Rights for EMI MUSIC PUBLISHING LTD. in the U.S. and Canada Controlled and Administered by  
EMI BLACKWOOD MUSIC INC.  
All Rights for GATOR BABY controlled and Administered by EMI BLACKWOOD MUSIC INC.  
All Rights Reserved International Copyright Secured Used by Permission  
*Reprinted by Permission of Hal Leonard Corporation*  
© 2004 WSRJ Music (ASCAP). Used by permission. All rights reserved.