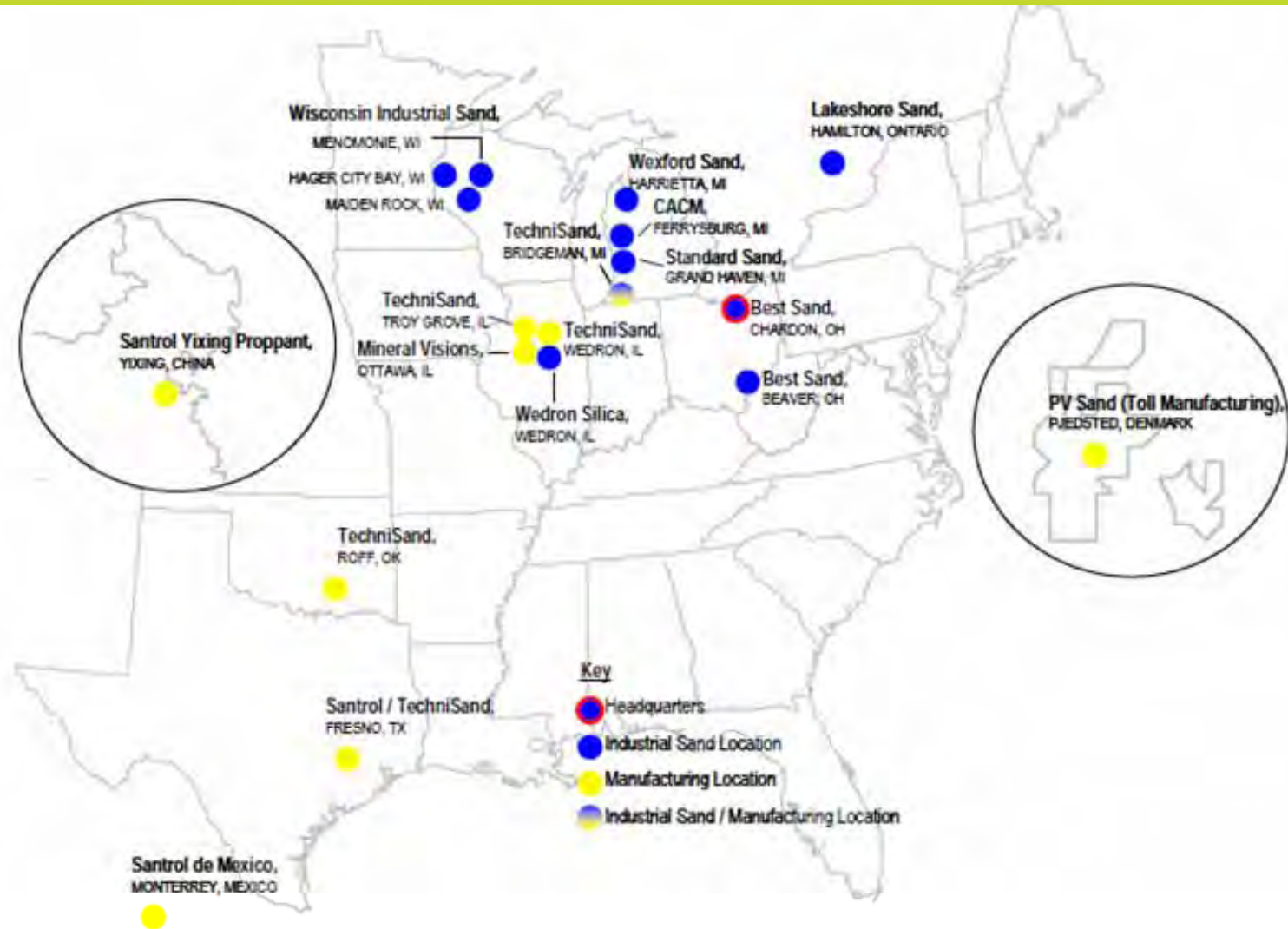


The background of the slide features a photograph of a grassy hillside with a dense line of trees in the distance. Overlaid on this image are the blue silhouettes of four people: a man on the left, a woman in the center, a child in front of her, and another man on the right wearing a baseball cap. A white rectangular box containing text is positioned in the lower right area of the image.

Sustainable Development at Fairmount Minerals

Mike Melton, Illinois Region EHS Manager

THE FAIRMOUNT MINERALS FAMILY



THE FAIRMOUNT MINERALS FAMILY

Industrial Sand Facilities:

- Production and/or Processing – 11
- Manufacturing – 10
- Distribution - >20



Major Markets

- Glass, Casting, & Oil/Gas Production

Private Ownership with Significant Employee Interest

Over 500 Associates



MANAGEMENT VALUES

“From my personal upbringing as a farm kid, my father was a strong believer in returning anything you borrow in better condition than when you received it”

- *Chuck Fowler, Fairmount Minerals President & CEO*

If we “Do Good”, then the Company will “Do Well”

CORPORATE CULTURE

Build the Workforce

- **Take care of employees and be aware of the needs of the neighboring community**

Take Care of the Environment

- **Address impacts associated with company operations**

Build the Business

- **Acquisitions, Quality Production, Service, Embrace Innovation**

Evolved into our attention to People, Planet, & Prosperity

2005 SUSTAINABLE DEVELOPMENT

1st APPRECIATIVE INQUIRY SUMMIT

- **Meeting of a Significant Portion of the Company**
- **Important Stakeholders Invited**
- **Utilized SD Consultant**
- **Talked about SD Strengths**

SUMMIT FOLLOW-UP

- **Developed Mission Statement & Guiding Principals**
- **Organizational Structure**
 - **SD Manager, Social Investment Manager, SD Steering Committee, and 12 SD Teams with SD Liaisons**

MISSION STATEMENT

We, the Fairmount Minerals family, are united in our commitment to exceed all expectations while fulfilling our economic, social and environmental responsibilities.

2005 APPRECIATIVE INQUIRY SUMMIT



ORIGINAL SD TEAMS

- 1. Best Practices**
- 2. Communications**
- 3. Environmental Products & Processes**
- 4. Health & Wellness**
- 5. Material Handling**
- 6. New Markets & Globalization**
- 7. Recover, Recycle, Reuse (3R)**
- 8. Safety**
- 9. Social Responsibility**
- 10. Sustainable Enabling Technologies & Information**
- 11. Training, Awareness, Sustainability, Knowledge**
- 12. Transportation**

**SD TEAMS WORK ON ADDRESSING ITEMS
RELATED TO PEOPLE, PLANET AND PROSPERITY**

'06 & '07 SUSTAINABLE DEVELOPMENT

2006

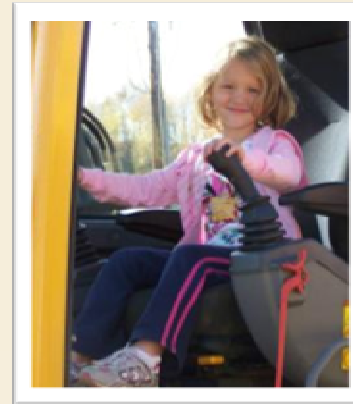
- **Follow-up with Employees via “Sand on the Run”**
- **In-Depth Stakeholder Interaction**
- **Bold Goal Development**
- **Signed United Nations Global Compact**

2007

- **FML Facility Goals Developed off of Bold Goals**
- **FML Family Surveys**
- **2006 Corporate Social Responsibility Report**

FML BOLD GOALS

- 1. We will be a leader in education and communication.**
- 2. We will be a leader in health and safety.**
- 3. We will invest our time, talents and treasure to enhance our communities, locally and globally.**
- 4. We will promote and support a healthy balance between community involvement, work and family.**



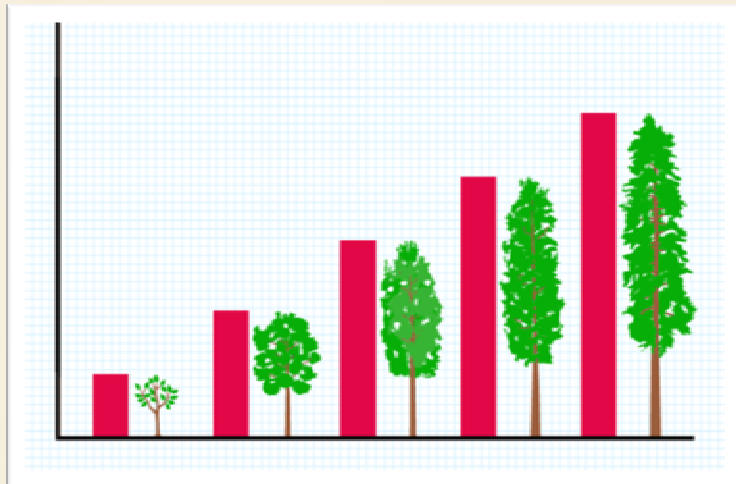
FML BOLD GOALS

5. We will optimize assets and conserve resources.
6. We will be a leader in the development of sustainable products and processes.



FML BOLD GOALS

- 7. We will demonstrate that Sustainable Development pays.**
- 8. We will embrace and share the principles of the UN Global Compact as we expand internationally.**



'08, '09, & '10 SUSTAINABLE DEVELOPMENT

2008

- **2008 Bold Goals/Facility Goals**
- **2007 Corporate Social Responsibility Report**
- **2008 Appreciative Inquiry Summit**
- **Reorganized Sustainable Development Teams**

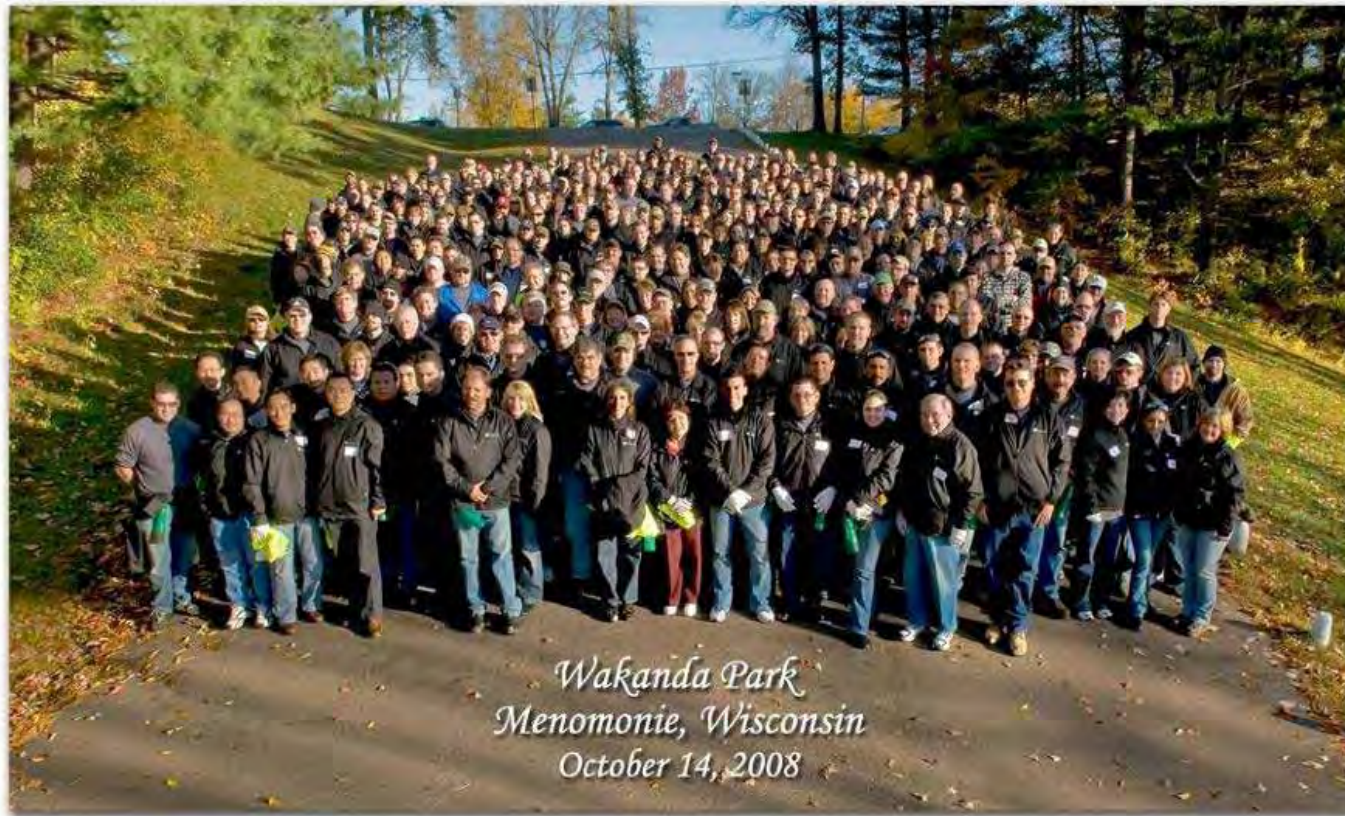
2009

- **2009 Bold Goals/Facility Goals**
- **2008 Corporate Social Responsibility Report**

2010

- **2010 Bold Goals/Facility Goals**
- **2009 Corporate Social Responsibility Report**

2005 APPRECIATIVE INQUIRY SUMMIT



*Wakanda Park
Menomonie, Wisconsin
October 14, 2008*

Fairmount Minerals Gives Back!

CURRENT SD TEAMS

- 1. Best Practices**
- 2. Business Innovation**
- 3. Clean Water**
- 4. Communications**
- 5. Eco-Efficiency**
- 6. Environmentally Responsible Products & Processes (ERPP)**
- 7. Fairmount Minerals University**
- 8. Health & Wellness**
- 9. QUEST Environmental Education**
- 10. Recover, Recycle, Reuse (3R)**
- 11. Safety**
- 12. Social Responsibility**
- 13. Sustainable Supply Chain**
- 14. Transportation**

ACCOMPLISHMENTS: PEOPLE

Community Investment Policy

- Plants choose where an established percentage of pre-tax profits are donated to any number of non-profit organizations
- Each facility required to complete a “Day of Caring” each year
- Employees allowed up to 40 paid volunteer hours/year
- Granting for each 20 unpaid employee volunteer hours/year
- Company match of employee charitable donations up to \$1000/yr



ACCOMPLISHMENTS: PEOPLE

Wellness Program

- **Initiated to enhance and improve health and wellness awareness**
- **Initially limited to employees and spouses**
- **Expanded to include employee children/dependents up to age 23**
- **Program allows employees to achieve different wellness milestones that tracked in a point system**
- **Includes yearly facility wellness challenge**
 - **Total Steps, Pound for Pound, Fruit and Vegetable Bowl**
- **Every 5 Wellness Points achieved are rewarded with a gift card**
 - **Gift cards increase in value with every 5-point threshold achieved**
- **Company also reimburses employees a flat rate for belonging to a health club**

ACCOMPLISHMENTS: PEOPLE

Aqua Clara Partnership

- Work with non-profit to create a water filtration technology for developing countries
- Manufacturing water filter components and participating in installations



FML VOLUNTEERS & AQUA CLARA



ACCOMPLISHMENTS: PLANET

Energy Management

- Evaluating energy management all facilities
- Program to install BAT to reduce energy consumption
- Working on LEED certification for all new facilities
- Embrace Alternative Energy Choices
 - Use of Bio-Diesel
 - Investigating the potential for wind energy at several plants
 - Thinking about hydro power



ACCOMPLISHMENTS: PLANET

Installing Solar Panels at the Chardon Ohio Office



ACCOMPLISHMENTS: PLANET

Greenhouse Gas Management

- **Goal to reduce GHG emissions from a 2006 baseline**
- **Energy Management Plan plays important roll**
- **Initiated program to plant trees to begin offsetting emissions**
- **Directly planted on company property, on other properties, or donated hundreds of thousands of trees over the past few years**



ACCOMPLISHMENTS: PLANET

Land Restoration

- Permanently restored more than 650 acres and looking to establish yearly land restoration goals
- Wildlife habitat teams at every facility identify areas where invasive plant species need to be addressed
- Partner with non-profits to provide education in the area of land restoration and species diversity



ACCOMPLISHMENTS: PLANET

Recover, Recycle, Reuse

- **SD Recycling teams at every facility**
- **Switched from boxes to reusable bulk bag packaging**
- **Waste reduction initiative at resin-coating facilities**
- **Looking for beneficial reuse for discarded items**

Environmentally Responsible Processes

- **Embrace ISO EMS Certification**
- **Evaluating operational impacts**
 - **Air, land, water**
- **Initiated program to reduce Hazardous Air Pollutants (HAPs)**
 - **HAPS thermally destroyed**



ACCOMPLISHMENTS: PROSPERITY

Superior Products

- **SD Teams have developed innovative products for our customers**

Alternative Markets

- **Water filtration exposure lead us to eventually purchase a specialty filtration media manufacturing facility**

Return From Ideas

- **Packaging change from cardboard to bulk bags have saved over \$350,000/year**
- **Energy management results in lower utility spend**
- **Video conferencing has saved yearly travel cost**

Healthy Workforce

- **FML experiencing a reduction in adjusted health care spend**

ACCOMPLISHMENTS: PROSPERITY

SD Link to Prosperity

- **50 percent of all bonus compensation tied to Bold Goal completion at the facility level**

FML initiated a program to calculate how SD Pays

- **Each SD Team reported how much their 2009 initiatives directly benefited FML**

\$ 680,090 SD Expenses

\$ 2,600,000 SD Pays

\$ 1,900,000 SD Prosperity

BUSINESS OUTCOMES

Reputation

- **2009 Inside Business Manny Awards for Excellence in Sustainable Supply Chain**
- **2008 Entrepreneur's Edge Leading Edge Award**
- **2008 Smart Business Visionary Award**
- **Ford Motor Company World Excellence Award in Corporate Responsibility**
- **2006 US Chamber of Commerce Business Civic Leadership Center Corporate Citizenship Award**

Profitability

- **Seven consecutive years of growth**
- **Fall 2008 to Winter 2009 economic slow-down was weathered**
 - **Still demanded SD Bold Goal performance during downturn**

ACCOMPLISHMENTS: PROSPERITY

Critical SD Intangibles

- **Sets us apart from others**
 - We are building our own “Brand”
- **Sets well with Internal Stakeholders**
 - Recruit and keep motivated workers
 - Individuals appreciate focus on issues other than plant profits
 - Customers and contractors appreciate our interest in their needs
- **Fosters positive relationship with External Stakeholders**
 - Positive presence in the communities we operate in
 - Should result in faster and less burdensome permitting of facility expansions as well as any future Greenfield sites

