

2014/15

SUSTAINABILITY REPORT





ADV

Every day, we seek to take another step forward in our sustainability journey – for the betterment of our people, our customers, our communities and the environment.

ANCING

Cabot Corporation is a leading global specialty chemicals and performance materials company headquartered in Boston, Massachusetts, United States. For more than 130 years, we have provided performance solutions that solve our customers' needs today while preparing them to meet their challenges tomorrow. We deliver value and innovation to our customers by leveraging our technical expertise with a deep understanding of their industries and the global trends that impact their operations. We provide our customers with a wide range of products, including [rubber](#) and [specialty carbons](#), [activated carbon](#), [fumed metal oxides](#), [aerogel](#), [masterbatches](#) and [conductive compounds](#), [cesium formate brines](#), [fine cesium chemicals](#), [inkjet colorants](#) and [graphenes](#).

We are a business-to-business company with approximately 4,700 employees worldwide, 45 manufacturing facilities in 21 countries, nine research and development facilities and 30 sales offices. Our customers appreciate our global leadership positions in the industries we serve and our commitment to helping them grow wherever they do business.

WE OPERATE IN:

/ North America	/ Europe, Middle East & Africa (EMEA)	/ Asia Pacific
Canada	Belgium	China
Mexico	Czech Republic	India
United States	France	Indonesia
/ South America	Germany	Japan
Argentina	Italy	Korea
Brazil	Latvia	Malaysia
Columbia	Norway	Singapore
	Switzerland	
	The Netherlands	
	United Arab Emirates	
	United Kingdom	

Learn more at cabotcorp.com/ourlocations



Supporting our customers in **four key industries**

Infrastructure

As the world's population grows, so does the need for scalable infrastructure solutions. We help our customers develop materials for infrastructure and construction-related applications that are high-performing, durable and energy-efficient.



Transportation

We help manufacturers improve the performance, efficiency and lifespan of vehicles' components. Our understanding of global trends enables us to develop innovative solutions for tires, plastics, coatings, electronics and energy storage, and air purification.

Environment

We share our customers' belief that a sustainable future is possible. We create products that support solutions for some of the most pressing environmental issues facing the world today, including air and water purification, flue gas treatment and the reduction of safety and environmental risks in challenging oil, gas and drilling operations.



Consumer

Our performance solutions are an essential part of modern-day life. Many of the things you see and touch every day have been improved by our products used in the food and beverage, water purification, pharmaceutical and personal care, electronics and energy storage, and inkjet technology industries.



We are continually seeking to improve our operations and practices, with the idea that our commitment to sustainability demands that we do more tomorrow than today.



Patrick Prevost
President and
Chief Executive Officer (CEO)

A word from our CEO

I am pleased to present the latest update on Cabot's sustainability journey. Throughout our history, we have built our business on the foundation of strong values, world-class technology and a global team whose passion for excellence is unsurpassed. It is on this foundation that we recently chose to join the United Nations Global Compact (UNG). The UNG identifies 10 universally accepted principles in the areas of human rights, labor, environment and anti-corruption. Through our signing of the Compact, we pledge to fully endorse and uphold each of these principles in everything we do. This action reinforces our commitment to outstanding performance and transparency in these areas, and represents the continued evolution of our sustainability efforts.

While we are new endorsers of the UNG, we have fostered the spirit and intent of the compact principles for a long time. Our employees, customers, suppliers and neighbors

can attest to how we live up to our values and operate in a consistently responsible manner. We have strong programs that help us positively impact our shared world and its diverse people. Most importantly, we believe we can always perform at a higher level. We are continually seeking to improve our operations and practices, with the idea that our commitment to sustainability demands that we do more tomorrow than today.

As we showcase in this report, we strive to leverage our competencies by helping our customers and communities deal with the challenges presented by an ever-changing world. We continue to explore new technologies that have and will improve the air we breathe and the water we drink, and reduce the energy we use to live productive lives. These efforts are exemplified by advancing the development and use of our graphene technology, increasing the effectiveness of our air purifying activated carbon, enabling

Our greatest asset is and always will be our people. It is only with the skills and dedication of our employees that we can serve our customers, generate long-term value for our shareholders and make a lasting, positive impact on our world.

the development of oil- and gas-producing wells with our cesium formate brines, improving the energy efficiency of tires with our advanced carbon black materials and creating materials that enable a new class of 3-D printed materials.

We balance these developments with continued improvements in our own operations. We remain committed to improving our energy efficiency and reducing our greenhouse gas emission intensity. We are also implementing the technologies necessary to meet increasingly stringent environmental regulations globally and provide information that allows our customers to safely use our products. We do more than just what is legally required: we implement standards and procedures that go beyond the minimums to help make sure we manage risk effectively throughout our global operations. For example, we have invested in improving our process safety management systems globally and we continue to improve our personal safety through training, thorough incident investigations and communication with our teams when new action plans result from a lesson learned. Our commitment to safety is unconditional. Despite the difficult global macroeconomic conditions we face in 2015, we will keep investing the necessary resources to ensure the safety of our employees, contractors, neighbors and the environment.

Our greatest asset is and always will be our people. It is only with the skills and dedication of our employees that

we can serve our customers, generate long-term value for our shareholders and make a lasting, positive impact on our world. Every day, our employees apply their skills in ways that deliver measurable outcomes and create both business and social value. By sharing our time and talents to serve our communities and practice good corporate citizenship, we expect to have a positive impact and perhaps even inspire others to follow our lead.

Cabot's sustainability story will continue to evolve and adapt. Our customers, employees and communities want a supplier, a company and a neighbor that operates in ways that are consistent with the principles of the UNGC. Our values and business model allow us to operate in harmony with these principles. It is my firm belief that through continual refinement and excellent implementation, we will continue to grow as a sustainable and prosperous company. I hope this report will give you a clear view of how we have already had a positive impact in these areas and how we will continue to positively impact our world.

Thank you,



AT A GLANCE

Our contributions to sustainable progress

We contribute the most to sustainability progress in three main areas:



We help our customers extend the life of their products. Many of our products help improve the durability and performance of our customers' products in a wide range of **applications**, including tire, automotive, consumer goods, industrial products and infrastructure such as pipe, wire and cable.



We are reducing our energy intensity and energy usage at our facilities. Using energy efficiently from a variety of sources is a cornerstone of our overall effort to reduce greenhouse gas (GHG) emissions beyond our own facilities. We are continuously improving our energy intensity and recovering more useful energy to support this goal.



We contribute to the well-being of our communities. We are committed to making a positive and lasting difference in our **communities** by dedicating our time and contributions to important local organizations that help improve our neighbors' quality of life.

**Martin O'Neill**

Senior Vice President

Safety, Health and Environment (SH&E)

I am pleased to present our 2015 Sustainability Report

Our report tells Cabot's story of how our employees and contractors from around the world have come together to make progress in sustainability. Thanks to their contributions, we continue to improve our safety performance and reduce our environmental footprint. We have fully engaged with our neighbors to make our communities stronger, and we have helped our customers advance in their markets. In this report, you can read about the recent progress we have made in our global safety programs and environmental initiatives, as well as our commitments to human rights and corporate governance.

More significantly, this report also looks to the future. 2015 marks an important new chapter for us in sustainability. While we continue to make progress with our long-standing goals to reduce our energy and greenhouse gas intensity, we realize that our impact is broader now. We recently identified three areas where we believe we can make significant impact: air emissions, waste generation and the safety of our operations. We are pleased to announce our commitment to reduce our air emission intensity of both nitrogen oxides (NO_x) and sulfur dioxide (SO_2) by 20% and 40%, respectively; decrease our waste

disposal volumes by 15%; and affirm our intent to maintain our total recordable injury rate in the top 10% of the chemical producers. These new commitments and our commitment to the United Nations Global Compact are actions we believe will raise our sustainability performance and help all of our stakeholders understand our intense desire for continued progress.

We are grateful for the feedback from our stakeholders regarding our sustainability efforts. The two messages we hear most frequently from people on this subject is that they appreciate the leadership we have shown thus far – and that they want and expect us to do more. We hope this report serves as affirmation that we have received your message loud and clear, and that we embrace the challenges ahead of us. We have been industry leaders for more than 130 years because we have continued to progress and move forward. You can count on Cabot to always keep advancing in our sustainability journey.

A handwritten signature in red ink that reads "Martin O'Neill".

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CUSTOMERS



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For questions or comments about this report please contact:

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About this report

Cabot's sustainability reporting cycle is based on comprehensive reports according to the [Global Reporting Initiative \(GRI\)](#) guidelines being prepared every second year and briefer update reports produced in the alternate years. Following our last [update report](#) published July 14, 2014, this report has been prepared based on the GRI G3 sustainability reporting guidelines at the Application Level B. As part of that process, our sustainability team assessed whether the results of the previous materiality assessment, which took into account the interests of our company and our stakeholders, is still valid. Through this assessment, we determined that the fundamental interests of our stakeholders have not significantly changed and form the basis of this year's report. This report is intended to meet the information needs of our primary stakeholders, which include the communities where we do business and our customers, investors, current and prospective employees, retirees and regulators.

This report represents all wholly owned Cabot operations, including manufacturing locations, major administrative offices and regional headquarters offices, and our majority-owned affiliated manufacturing locations in which Cabot has operational control. Environmental and social information is not included for small sales/technical service offices, leased warehouse space managed by a third party and one unmanned marine terminal.

Sustainability activities and relevant data cover the 2014 calendar year. However, financial data is reported for Cabot's fiscal year 2014, which began October 1, 2013, and ended September 30, 2014. Additionally, certain community projects and new sustainability-related affiliations we have become involved with in 2015 are discussed.

We have developed and used a variety of systems across our sites to ensure the data provided in this report is consistent and accurate. These systems include our sustainability reporting database, finance and human resources databases, safety and environmental incident tracking database and greenhouse gas emissions data collection systems. All environmental data are determined by direct measurement or estimated by mass balance calculations. Internal processes and standards were used to evaluate the quality and accuracy of the collected data and our annual greenhouse gas data is verified by an independent third party organization on a biennial basis.

Finally, in light of the global reach of our business, we have chosen to use a new report format this year that offers greater insight into our regional sustainability highlights in addition to our standard corporate disclosures. In each chapter, we feature activities underway at our facilities around the world that are helping us drive our sustainability performance forward. These and additional highlights are on our website cabotcorp.com.

Engaging with stakeholders

Our stakeholders are those who influence or who are impacted by our products, our operations and our performance. Engaging with these groups is imperative for two main reasons: we know that our success depends upon their support, and we understand that our actions can have a major impact on them. Therefore, we are committed to communicating with them in a transparent, timely and collaborative way. At the community level, we frequently reach out to our neighbors and elected officials, usually through advisory panels or community associations. Our facility general managers and other senior leaders take the time to build relationships with community leaders with the goal of creating an established line of communication so we can resolve issues or help each other in a timely manner. However, each stakeholder group has a unique set of interests that we address through deliberate outreach mechanisms.

We are also required to address a wide variety of environmental and safety considerations associated with our products and across our global operations and markets, including:

- ◆ Product Safety and Material/Safety Data Sheets
- ◆ Process safety
- ◆ Process emissions
- ◆ Site operating metrics
- ◆ Global and facility standards
- ◆ Security
- ◆ Community concerns about air emissions and noise
- ◆ Environmental performance
- ◆ Safe handling guidelines
- ◆ Emergency response events
- ◆ Product life cycle and disposal

Our stakeholders often want to know more about our product registration and safety. This detail is available on our website, along with other information about what's happening at Cabot. You can also connect with us on [LinkedIn](#), [Twitter](#), [Facebook](#), [YouTube](#), [Vimeo](#) and [Google+](#).

HOW WE ENGAGE STAKEHOLDERS

STAKEHOLDERS	TYPES OF ENGAGEMENT	KEY TOPICS
Customers	Surveys, technical information, exchanges, plant visits, complaint resolution	→ Performance, satisfaction surveys, technical solutions, production plans, Material/Safety Data Sheets
Shareholders and investors	Annual report, quarterly disclosures, sustainability report, annual meeting	→ Performance, strategy, execution, material disclosures, sustainability
Employees	Meetings, executive briefings, training sessions, surveys, regular intranet communication	→ Performance, strategic initiatives and vision, policy and structure, benefits and compensation, Material/Safety Data Sheets
Regulators	Plant visits, training sessions, technical information exchanges, inspections	→ Compliance programs, problem solving, technical information
Communities	Plant visits, open house events, community events, sponsorships, engagement programs	→ Plant operations, hazards of materials, compliance programs, emissions, community sponsorships, engagement

Business highlights

We took many actions during 2014 to help us create more value for our customers and our shareholders.

We are continually evaluating our product portfolio, as we want to make sure we are investing our resources in businesses that will allow us to maximize our value. As a result, in July 2014, we completed the sale of our Security Materials business to SICPA, a leading player in the security industry, for approximately \$20 million in cash.

We also constantly look for ways to strengthen our capabilities to better serve our customers and meet their future needs. In 2014, we completed strategic projects that will help drive improved performance for our customers and shareholders:

- ◆ In July, we transitioned our EMEA Business Service Center from Leuven, Belgium, to Riga, Latvia. The new center in Riga improves our ability to support our customers in the region. Our Riga team provides administrative support to the company's 20 locations throughout the EMEA region.
- ◆ In November, we opened our new mine in Texas, USA, which will supply raw materials to our activated carbon manufacturing facility in Marshall, USA. This strategic investment will provide a long-term, reliable supply of high-quality raw material needed to produce the finest activated carbon products to meet our customers' purification needs.

Finally, we reorganized our businesses into four segments in January 2015: Reinforcement Materials, Performance Chemicals, Purification Solutions and Specialty Fluids. As part of this new structure, the elastomer composites business became part of our Reinforcement Materials segment, and the aerogel and inkjet colorants businesses were included under the Performance Chemicals segment. These moves were designed to capitalize on business synergies, and enable us to better leverage our product development and innovation capabilities, and be more responsive to our customers.

Our performance

Strong financial performance is critical to our ability to continue to advance sustainably. We are committed to creating value for our customers and shareholders – which in turn allows us to create and maintain jobs, invest in our facilities, develop new products and processes, and implement new measures that help us further reduce our environmental footprint.

CABOT CORPORATION FINANCIAL HIGHLIGHTS

(dollars in USD millions, except per share amounts)

Fiscal Year	2014	2013	2012
OPERATING RESULTS			
Operating revenues	\$3,647	\$3,456	\$3,291
Net income attributable to Cabot Corporation	\$199	\$153	\$388
Per diluted common share	\$3.03	\$2.36	\$5.99
Adjusted earnings per share*	\$3.43	\$2.93	\$3.33
FINANCIAL POSITION			
Total assets	\$4,084	\$4,233	\$4,399
Net property, plant and equipment	\$1,581	\$1,600	\$1,547
Stockholders' equity	\$2,064	\$2,083	\$1,939
Adjusted return on invested capital	9%	8%	12%

* EXCLUDES FINANCIAL RESULTS OF DIVESTED BUSINESSES

A company of strong values

Our vision is to deliver earnings growth through leadership in performance materials. We view our values as the guiding principles that set expectations for how we conduct ourselves on a daily basis to carry out this vision. When people engage with Cabot team members, they know they can count on us to operate with the highest levels of respect, integrity, excellence and responsibility. Similarly, rooted in our values, our culture provides employees an outlet for building strong relationships, conducting outstanding work and exhibiting pride in their company.



Integrity

We expect adherence to the highest ethical standards through personal integrity and compliance with all laws and regulations.

Respect

We are open, honest, straightforward and trustworthy. We respect others as we want to be respected ourselves. We listen and learn from each other, our customers and the outside world. We believe teamwork is the ultimate reflection of collaboration, trust and respect.

Excellence

We strive for excellence in everything we do. We do this through highly motivated and diverse employees who exceed the expectations of our customers and shareholders. Our passion distinguishes us from our competitors, inspires us to achieve results and contributes to our collective success.

Responsibility

We take responsibility for people and the environment. We are committed to the well-being of our employees and to the care of our environment. We conduct business activities in a way that is safe for our employees, our contractors, visitors to our sites, the communities we operate in and our environment.

We regularly engage our people in a discussion of our values to ensure we are living up to these ideals. We conduct values training for all new employees and all active employees are expected to have participated in this training. Additionally, our senior management team regularly engages in discussions with employees about how we can further improve our performance in living up to our values.

WE ARE CABOT



Laine Vitolina

CURRENT POSITION: Junior Applications Specialist

LOCATION: Riga, Latvia

Importance of living our values

Cabot makes me feel appreciated and supported because we have a team of people who really care about each other, and we're all committed to one goal, which is taking care of our customers. I've been delighted to find that the Cabot values are not just plain words – they are real, and people really live by them. We accomplish a lot together, and I'm looking forward to seeing what we get done together in the future. I really like how we are committed to being excellent, every day.

Governance

Leadership

Our [Board of Directors](#) currently consists of 12 members. The Board has five standing committees: Audit, Compensation, Executive, Governance and Nominating, and SH&E Affairs. All members are independent, except for our CEO. Our leadership structure includes a Non-Executive Chairman of the Board.

Our Board members have extensive knowledge of the chemical industry and experience in the areas of strategic planning, domestic and international markets and business, management, accounting and finance, risk management, corporate governance, and public company leadership and oversight. The desired attributes of individual directors include diversity of origin, background, experience and thought.

The SH&E Committee of the Board of Directors was initially organized in 1990. The SH&E Committee assists the Board in fulfilling its oversight responsibility by reviewing all aspects of our safety, health and environmental management programs and performance, and overseeing matters related to stewardship and sustainability of our products and manufacturing processes.



Compliance

Code of Business Ethics

Our Code of Business Ethics sets forth business principles to serve as a guide for our employees as they conduct business on behalf of Cabot, and covers a range of subjects, including treating one another with mutual respect, engaging in an ethical manner with our customers and others with whom we do business, protecting our assets and serving as responsible members of our community.

In 2014, our [Code of Business Ethics](#) was updated and refreshed to address new legal requirements and provide greater clarity regarding difficult compliance issues. The Code was adopted by our Board of Directors, and reflects our strong commitment to conducting our business ethically and in compliance with laws.

Our Code of Business Ethics has been translated into 13 languages and has been provided to every Cabot employee. Training on the Code of Business Ethics is required to be completed by all employees at the start of their employment, and annually thereafter. Additionally, many facilities held special team meetings to discuss the revised Code and present the books to their employees.

Office of Compliance

The Office of Compliance oversees Cabot's compliance with laws and regulations, the Code of Business Ethics and other Cabot policies. The Office of Compliance is also generally responsible for investigating allegations of misconduct or noncompliance and recommending to management actions to address any misconduct or noncompliance. The Office of Compliance is made up of representatives from legal, human resources and finance. The Company has also established regional compliance teams, which include cross-functional employees and regional managers to assist with the consistent implementation, monitoring and administration of its ethics and compliance program. The Office of Compliance works with these teams to investigate allegations of misconduct, promote training and awareness of the Company's policies, and develop a common approach to ethics and compliance. Compliance matters are discussed with the Audit Committee of the Board of Directors at least four times a year.

Training

All employees are required to attend training to understand the importance of our values, in addition to completing our Code of Business Ethics training. Some employees are also required to take other training courses, depending on their level and job function within the Company, including:

- ◆ Making business commitments
- ◆ Records and information management
- ◆ Responsible Care®

In 2014, our employees invested a total of 3,500 hours to complete required training courses.

Alert-line and reporting resources

We have established a variety of [resources](#) for employees to ask questions, raise concerns and report violations of Cabot policies or the law, including a reporting hotline called Alert-line. Hotline reports relating to accounting matters are forwarded directly to the Chair of the Audit Committee, with copies sent to the Office

of Compliance, and will be investigated under Audit Committee direction and oversight. Our employees may also contact the Office of Compliance directly to report any known or suspected violation of laws or regulations, our Code of Business Ethics or Cabot policies. All credible reports of violations are promptly and thoroughly investigated. Reports to both Alert-line and the Office of Compliance may be made anonymously.

Supplier management

Supplier Code of Conduct

Critical suppliers that do business with Cabot must sign our Supplier Code of Conduct. This code requires our suppliers to maintain the same level of ethics required by our employees in our Code of Business Ethics. Our [Supplier Code](#) mandates compliance to all safety and environmental regulations. In addition, we place a special emphasis on human rights. We expressly prohibit suppliers from using forced labor of any kind, including illegal human trafficking.



All of Cabot suppliers are required to abide by the Supplier Code. Additionally, over 2,500 critical suppliers have also signed our code since it went into effect in 2010. The Supplier Code is available in 14 languages, and a signed copy of all agreements is kept by the Company. The Supplier Code gives us the right to terminate any relationship with any supplier that violates the Code. In our experience, our global suppliers are highly supportive of our Code, as they share our values.

Conflict minerals update

Cabot is subject to the U.S. Securities and Exchange Commission's conflict mineral rule, which requires public companies to disclose information about their use of gold, columbite-tantalite, cassiterite and wolframite (including their derivatives tantalum, tin and tungsten) originating in the Democratic Republic of the Congo and surrounding countries. With the exception of certain equipment systems used for dosing activated carbon that we manufacture and sell, none of Cabot's current products contain conflict minerals.

Please refer to the Cabot Conflict Minerals Report for 2014, posted at cabotcorp.com/conflictminerals.

Human rights

Cabot has a long-standing commitment to sustainable business practices that ensure the well-being of our employees, customers and the communities in which we operate. To further demonstrate our commitment to sustainability and corporate citizenship, we have recently joined the [United Nations Global Compact](#) and have agreed to abide by its human rights principles.



WE ARE CABOT



Pratheesh Prabhakaran

CURRENT POSITION: Process Engineer
LOCATION: Dubai, United Arab Emirates

What attracted you to Cabot?

In my previous job as a chemist, I was already familiar with Cabot. I knew that they had excellent products, and a very good reputation. What convinced me to join the company was getting to know Cabot's people, who impressed me as being smart, driven and a team that works well together and cares about each other. My experience so far has confirmed what I believed about this place. I'm working with incredibly talented people at a multinational company, which gives me the opportunity to learn, grow and advance my career. I also appreciate that Cabot has very high ethics and standards with everything we do. I recently convinced one of my former colleagues to join me at Cabot because this is such a good place to be.

ADVANCING OUR CUSTOMERS



Yakov Kutsovsky
Senior Vice President,
Research and Development (R&D)
and Chief Technology Officer

Our customers have always counted on us to create solutions to their problems. Today, our innovation journey is taking an exciting new turn. We understand that if we are to truly maximize our impact in the world, we must first have a deeper understanding of our customers' needs, and the emerging opportunities they have to win in their markets. With our new value-focused innovation approach, we are gaining these insights – and using this information to guide our product and process development decisions. Last year, we invested \$60 million in research and development. Strategically, we seek to make investments that will help create the most value for both our customers and our business.

Increasingly, customers and consumers want products that last longer, are more energy efficient, and have less impact on the environment. We are pursuing sustainability-driven products and processes through a number of different ways. In materials, we are constantly investing in our applications development labs to rapidly test concepts and converge to meaningful principles. Furthermore, the infrastructure we have built allows us to move concepts to customers more quickly. We have had success in this area

with lithium-ion and lead-acid batteries, and inkjet colorants for commercial printers. Looking ahead, our scientists and engineers are continuing to make progress on developing technology for the production and application of graphenes. The potential for this material remains one of the most exciting things to happen in materials science in the last decade, and we are going to help fulfill it.

We also understand that the best ideas are not always our own. We have become adept at feeding our product development pipeline by tapping into the expertise and resources available at start-ups, customers, universities and research institutions. We are committed to open innovation because it helps us discover new ideas, increase our speed to market, manage our risk, and leverage our resources. It also helps us discover new talent and support our local communities.

A handwritten signature in red ink that reads "Yakov Kutsovsky".



Faster innovation through lean prototyping

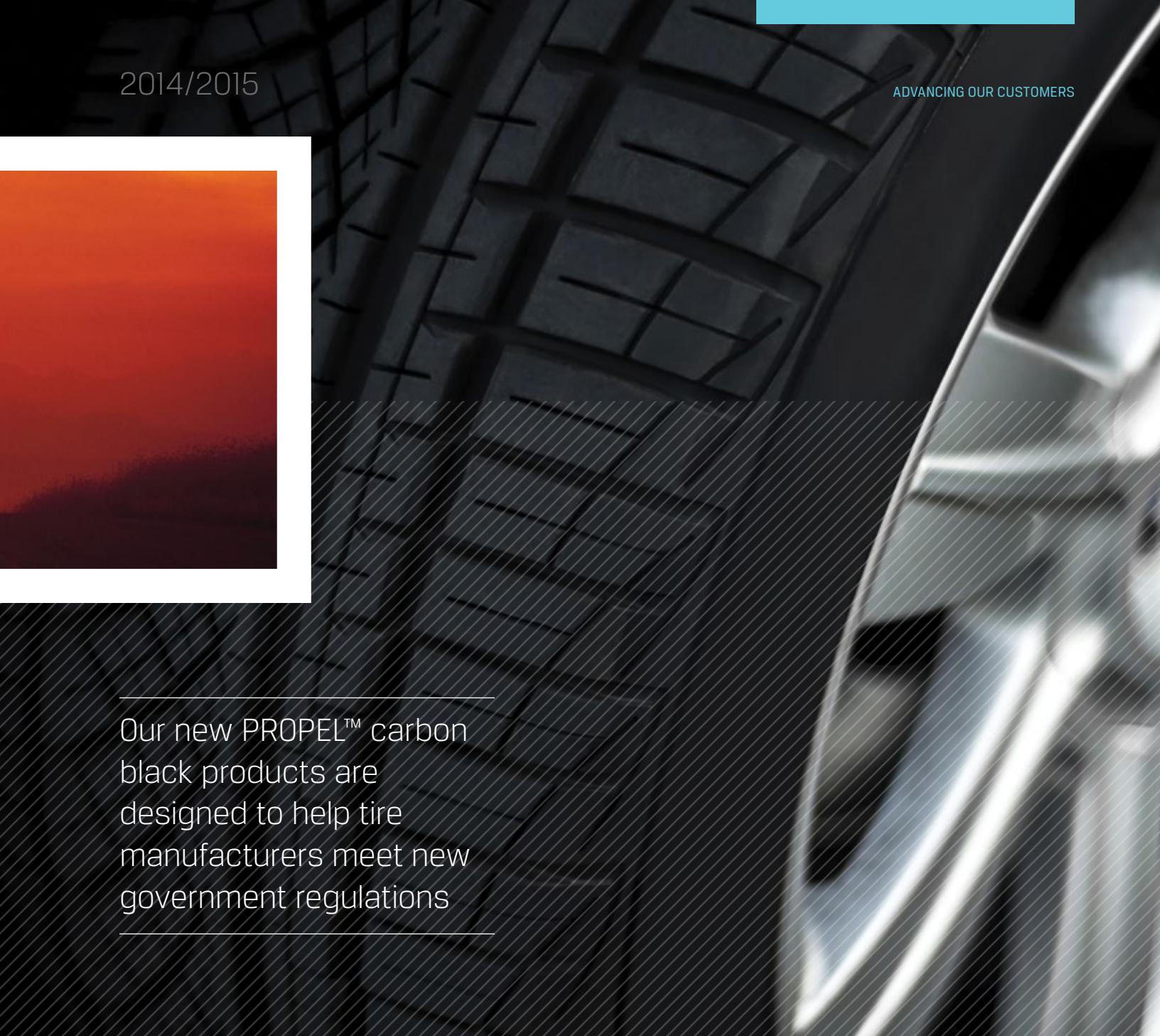
We had a great idea for improving evaporative loss control from automobiles, using a new type of chemically activated carbon. The question became, how can we make sure this idea will actually work for our customers before we invest a lot of capital and human resources? In this case, we used a process called lean prototyping that allowed us to accelerate through the building, measuring and learning stages of innovation quickly and cost efficiently.

To evaluate this new idea, we brought together a cross-functional team of people at our activated carbon manufacturing facility in Glasgow, United Kingdom, in December 2014. The team's goal was to deliver a process technology and a customer sample from a prototype system in a short period of time. Working together, the team created a workable prototype system within one week. The team then spent the next month testing different assumptions and applying their learnings to new iterations. By the end of the month, the team learned a great deal about their project, produced a viable prototype product, and identified clear next steps for future development. The experience also educated the Glasgow manufacturing team about the technology so that they can help ensure that the commercial design will be effective.



New R&D center opens in Amersfoort

In December 2014, Cabot Norit Activated Carbon officially opened a new sales and R&D center in Amersfoort, The Netherlands. The investment in the new facility marks a significant milestone in the development of the activated carbon business in the EMEA region and helps us deliver new innovative products to our customers. The R&D center is equipped with an extensive range of test capabilities to characterize [activated carbon](#) products and measure application-specific performance. Not only will the new Amersfoort facility enable us to react to customers' requirements faster, but it also serves as the main location for sales, and technological support and service. The entire office and lab were designed to maintain a safe work environment for the employees while being optimized for maximum efficiency and safety.



Our new PROPEL™ carbon black products are designed to help tire manufacturers meet new government regulations

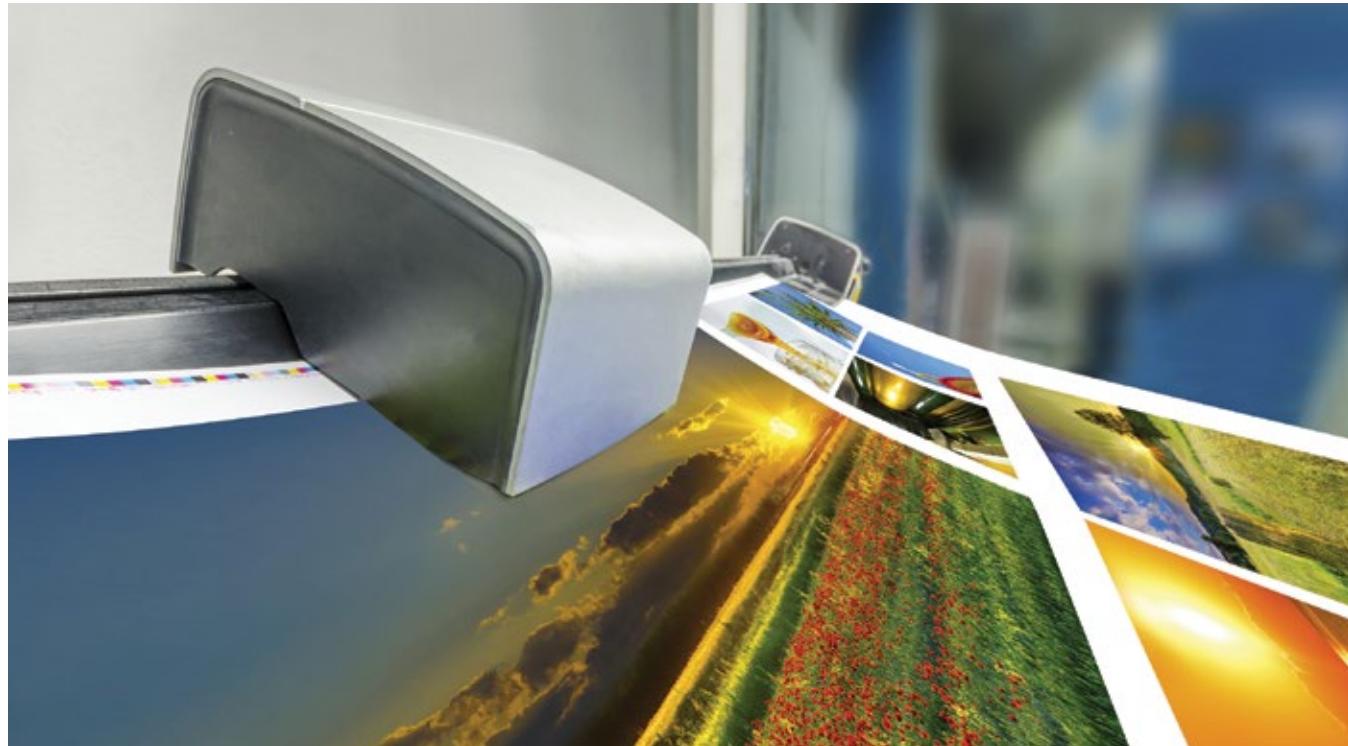
New tire tread products for improved truck fuel efficiency

In February 2014, we launched two new carbon black products for [tire tread applications](#) that will greatly benefit commercial vehicle operators:

- ◆ **PROPEL™ E7 carbon black:** Engineered to reduce tire rolling resistance, helping long-haul truck operators maximize fuel efficiency and reduce fuel costs.

- ◆ **PROPEL™ D11 carbon black:** Engineered to provide a high level of tire tread durability, helping produce short-haul truck and off-the-road vehicle tires that resist cutting, tearing and abrasion.

Our new PROPEL™ carbon black products are designed to help tire manufacturers meet new government regulations, including the U.S. Environmental Protection Agency's [SmartWay® program](#) and the European Union energy labels for tires. These regulations seek to educate consumers about the impact of tire performance on fuel economy.



New toner products for better quality, improved efficiency and reduced waste

In [printing applications](#), customers want high performance, low operating costs and better energy efficiency. Some toner manufacturers are increasingly using polyester resins to enable lower fusing temperatures and more transparency for colors. However, many of the carbon black pigments available don't deliver the required tribocharging performance and resistance to humidity when used with polyester. To address this issue, our new REGAL™ T-30R and REGAL™ T-40R carbon black products are specifically designed to deliver improved tribocharge and excellent image density performance for polyester toners.

In addition, as electrophotography further penetrates the commercial printing market, we also introduced a new CAB-O-SIL® fumed silica product for improved print

consistency over long runs. Our CAB-O-SIL® TG-3155F fumed silica additive enables the toner to have greater durability due to its larger particle size. This gives customers better print quality with less waste and more consistency than achievable when using comparable additives with a single treatment.



Activated carbon for improved quality and purity

The City of Tulsa claimed the award for best-tasting water in the region for the second consecutive year at the Southwestern American Water Works Association's annual conference. For the past 15 years, Tulsa has exclusively used NORIT® GAC 820 and HYDRODARCO® 820 [granular activated carbons](#) at both of its municipal potable water plants. As a technology leader in the global water purification market, we develop, manufacture and market a broad range of activated carbons that help water professionals meet regulations and reliably deliver safe drinking water that tastes great.

Masterbatch materials for delivering water cost effectively with less loss

In South America, we worked very closely with our Brazilian customer Braskem to help address severe water shortages in the region. A recent study determined that Brazil's water pipelines and tanks lose more than 600 billion liters of water annually – or more than 40% of all treated water in the country. The study determined that the water was being lost as it was pumped from processing plants to consumers' tanks due to pipe and tank degradation over time.

Braskem worked with us to create a solution to address this issue. We combined Braskem High Density Polyethylene resin with PLASBLAK® LL6050 masterbatch to help create new, high-performing polyethylene (PE) pressure pipes. The new PE pipes significantly reduce leaks because there are fewer joints and connections. They also last up to 50 years or longer – in part because PLASBLAK LL6050 masterbatch contains one of our high performing p-type carbon blacks, which provide exceptional ultraviolet protection and low



moisture absorption for the polymer to prevent premature degradation. In addition, p-type carbon blacks are both physically clean (low grit) and chemically clean (low sulfur), ensuring the final pipe is smooth and does not affect the taste of the water. The result is that our PLASBLAK LL6050 masterbatch enables Braskem to deliver a high-quality pressure pipe compound – which means long-lasting pipes, less loss and cleaner water for the Brazilian population.



**WE ARE
CABOT****Marco Pinto**

CURRENT POSITION: Capital Manager

LOCATION: Mauá, Brazil

Making an impact

I was attracted to Cabot because I wanted to work for an industry-leading company. My experience here has been very positive. Cabot takes good care of its people. I feel safe and comfortable working here. I also like having the opportunity to work closely with the entire leadership team, and to be involved in making strategic decisions that impact our business. Cabot is a place where I can build my career, as I'm encouraged to develop skills and experiences in this role that helps me prepare for the future.

Product stewardship and development

We place a strong emphasis on product stewardship. Throughout our operations and in our product development stage, we are guided by the precautionary principle. Every time we develop a new product, we carefully consider its effect on the health and safety of our customers, employees and the communities where we operate, as well as its impact on the environment:

- ◆ **Stage gate process:** Our new product development includes a comprehensive evaluation of product health, safety and regulatory compliance and environmental impact. We use the results from this evaluation to determine if it is appropriate for us to continue with the development or manufacture of these proposed materials on a commercial scale.
- ◆ **Product safety and compliance:** Our commitment continues after the commercial launch of a new product. Safety is evaluated as products are used in new applications, and compliance obligations are addressed as new regulatory requirements are introduced, such as the [European Union's Registration, Evaluation and Authorization of Chemicals \(EU REACH\)](#).

◆ **Product Information:** Our products are used in a wide range of applications globally and subject to international chemical control and use-specific requirements. We have developed a library of product-specific certifications, declaration statements, Material/Safety Data Sheets and product stewardship summaries for our key products. All these documents are available at cabotcorp.com/productinformation.



ADVANCING OUR ENVIRONMENT

Everything we do is well grounded in a respect for the safety of our people, our customers, our communities, visitors to our facilities and the protection of our environment. Our [Safety, Health and Environment \(SH&E\) Policy](#) helps ensure that we live up to this principle in our decisions and actions. In safety, we believe that zero injuries is possible. At our facilities, we are committed to operating within our permitted limits, and minimizing the impact that we have on the environment. Our Drive to Zero initiative keeps our entire team focused on achieving these SH&E goals. We understand that while zero incidents may be difficult to achieve for the entire company, we have consistently demonstrated that it is possible through the performance of many of our facilities over multiple years. We continue to make significant investments in our SH&E capabilities, so we can move closer to zero incidents across all our facilities globally.

Environmental goals

While we continue to improve the [environmental performance](#) of our facilities worldwide, we are always looking for other areas to reduce our impact. In 2014, we reviewed our progress with our existing goals and reassessed the most significant impacts our operations have on the environment. Based on this review we established new target

dates for our existing goals, and four new environmental goals that will help us drive our performance.

We have made significant progress in reducing our energy and greenhouse gas emission intensity in some of our businesses. However, our expected improvements have not materialized as quickly as anticipated. As a result, we are extending the timeline to achieve our goals for energy intensity and greenhouse gas emission intensity reductions of 10% and 20%, respectively, to 2025. We remain steadfast in our efforts to reduce both of these impacts within that timeframe.

Recognizing that we need to go further, we have introduced two new goals designed to reduce our air impact. By 2025, we intend to reduce our nitrogen oxides (NO_x) emission intensity by 20% and our sulfur dioxide (SO_2) emission intensity by 40% from 2012 levels.

We also introduced a new goal designed to reduce waste that is disposed of from our operations. By 2025, we intend to reduce our waste intensity, both hazardous and non-hazardous, for waste shipped off-site for treatment or disposal without beneficial reuse, by 15% from 2012 levels.

Combined, these new goals, along with our existing goals, signify our continued commitment to reduce Cabot's impact on the environment.



Our Goals for Operational Waste Reduction

	Energy Intensity (GJ/MT of Production)	Greenhouse Gas Emission Intensity (MT of CO ₂ e/MT of Production)	Nitrogen Oxides Emission Intensity (MT NO _x /MT of Production)	Sulfur Dioxide Emission Intensity (MT SO ₂ /MT of Production)	Waste Disposal Intensity (MT of Waste/MT of Production)
BASELINE YEAR	2005	2005	2012	2012	2012
TARGET YEAR	2025	2025	2025	2025	2025
	10%	20%	20%		15%
					40%



Reducing our energy intensity

We continue to make progress in reducing the energy required to manufacture our products. We have set a goal to reduce our energy intensity (the amount of energy needed to make a unit of product) by 10% by 2025 from our base year of 2005. Through the end of 2014, we have achieved 70% of this goal, reducing our energy use per unit of production to 60.5 gigajoules/metric ton of production (GJ/MT). Two of our largest businesses, fumed metal oxides and carbon black, are leading the way, with fumed metal oxide operations exceeding the 10% reduction goal, and our carbon black business reducing its energy intensity by 8.3% through 2014.

These accomplishments have been achieved through continued implementation of operational excellence initiatives in our manufacturing facilities, the introduction of more energy efficient production facilities, and the continued implementation of energy recovery processes that use our waste energy at our own or our neighbors' facilities. As a result of these efforts, our carbon black facilities are net exporters of energy, producing more than 4,400 terajoules (TJ) of energy, enough to power 100,000 homes for a year.

FOCUS ON: AMERICAS

Energy efficiency projects drive improvements in Billerica

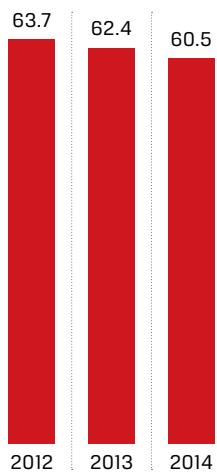
Our global R&D center in Billerica, USA, consumes nearly seven million kilowatt-hours (kWh) of electricity every year to power more than 60 fully equipped labs and multiple office buildings. To help reduce the site's overall energy usage, we completed the installation of 30 new variable speed drives in January 2014. These drives regulate the speed of the electric motors used to operate our heating and cooling systems and other facility infrastructure, including slowing the motor down when it is not under a full load.

The project was the product of a year-long collaboration between Cabot, the U.S. Environmental Defense Fund and the site's local utility provider, National Grid. The entire upgrade, which includes additional smaller improvements, will save more than 300,000 kWh annually – and reduce carbon dioxide (CO_2) emissions by more than 150 MT each year.

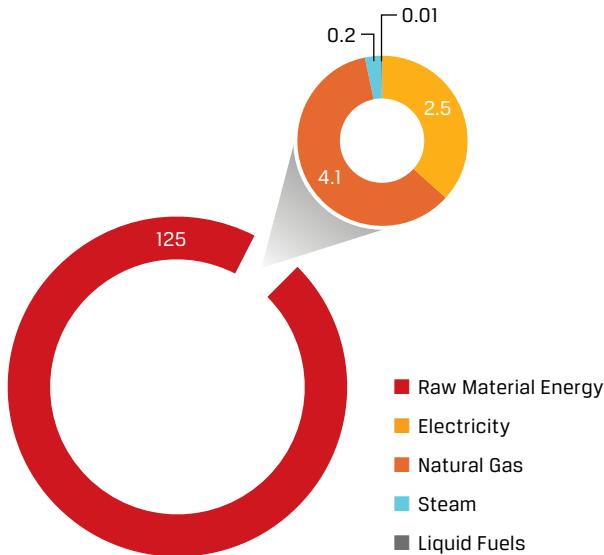


Of the total energy required for our manufacturing operations, approximately 132,000 TJ come from several different sources, with over 95% associated with the energy in the raw materials used to manufacture our products, 3% from natural gas and approximately 2% from electricity. Our carbon black raw material feedstocks are typically made up of by-products from other manufacturing processes.

Energy Intensity
(GJ energy used / MT product)



2014 Total Energy Use by Source
(MM GJ)



FOCUS ON: ASIA PACIFIC

Xingtai opens new energy center

At our carbon black site in Xingtai, China, we have invested in a new energy center that allows us to produce both steam and electricity. The new energy center officially opened in April 2014, and within the first eight months that it was operational, the site achieved a 100% operating rate, and self-produced the steam and electricity needed to meet our customers' needs in the region. It provides over 726,000 gigajoules (GJ) of energy, avoiding over 50,000 MT of carbon dioxide equivalents (MT CO₂e) emissions. The facility is operating with some of the most advanced pollution control equipment and has among the lowest emissions in the carbon black industry. Local Xingtai government officials commended Cabot for serving as a model corporate citizen in generating and managing its energy resources.

FOCUS ON: EMEA

Ravenna carbon black site earns energy management certificate

An independent third-party firm has certified that our carbon black manufacturing facility in Ravenna, Italy, is in compliance with the [Energy Management Standard ISO 50001](#). Around 100 companies are certified in Italy and our Ravenna carbon black site is the first for the company. Compliance with the standard provides assurance to our business partners, shareholders and community that we have a system in place to manage energy efficiency and reduce greenhouse gas emissions at the Ravenna facility. The standard helps assess current and planned energy use, energy sources and consumption and identify opportunities for improvement in the future. ISO 50001 has become a baseline for Ravenna's energy use.



Our progress in improving air impact and greenhouse gases

Our manufacturing plants in all business segments emit greenhouse gases (GHG) as part of their manufacturing process. We are working to reduce the [GHG emissions](#) intensity of our Scope 1 and Scope 2 emissions by 20% by 2025 from a baseline year of 2005. CO₂ is the primary GHG emitted from our manufacturing facilities, with smaller amounts of methane and nitrous oxide emissions associated with our production. The other three Kyoto GHG compounds, including hydrofluorocarbons, perfluorocarbons and sulfur hexafluoride, are emitted in extremely low amounts and are considered negligible for the purposes of our GHG reporting and tracking.

Since establishing our external goal in 2008, we have made steady progress. Through 2014, we have reduced our GHG emissions intensity by 4.7% from our 2005 baseline, achieving 23% of our goal. In 2014, we did experience a 2.7% increase in GHG intensity over 2013 levels. This increase is the result of product mix changes in our Performance Chemicals segment. Our total GHG emissions for 2014 of approximately five million MT is up 13% on a 10% increase in production from 2013. This increase is associated with the full-year operation of our new carbon black plant in Xingtai, China, and inclusion of the full year of GHG emissions for our Altamira, Mexico, facility that was acquired at the end of 2013. We also saw an increase in production volumes in our Purification Solutions segment, which contributed to our increase in GHG emissions.

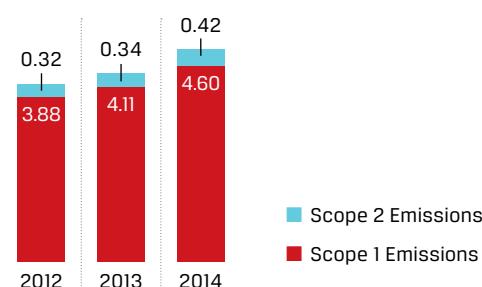
Collectively, the quantities of all three GHGs are reported as CO₂e and are calculated according to the [Greenhouse Gas Protocol](#) established by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD). Data is compiled by corporate databases and from surveys of our facilities. Cabot's GHG annual emissions and data collection systems, methodology, calculations and quality assurance processes are verified by a third party on a biennial basis to ensure an accurate accounting of our GHG emissions, which was completed in 2015 for CY 2014 and 2013.

We do not account for GHG emissions offsets from the energy we recover and provide to our partners and customers in our GHG emissions. However, in 2014 these efforts reduced over 500,000 MT of GHG emissions that would otherwise be generated through the use of fossil fuels.



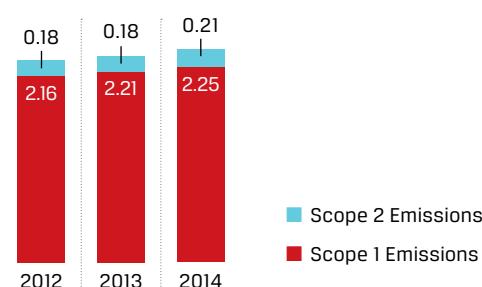
GHG Emissions

(million MT of CO₂e)



GHG Intensity

(MT of CO₂e / MT of production)



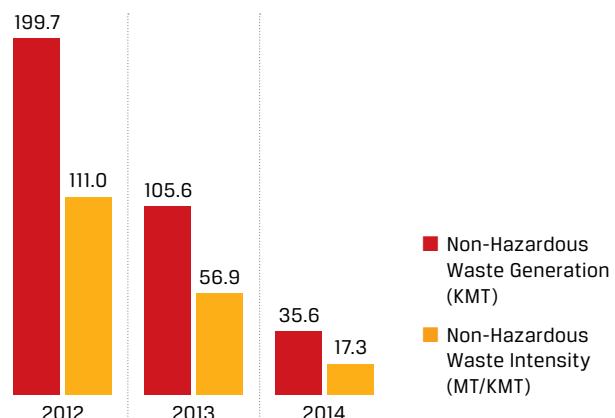
Reducing Scope 3 CO₂ emissions in Europe

While we do not track Scope 3 emissions, we are taking steps to reduce our Scope 3 CO₂ footprint. In Europe, about 80% of our shipments to European customers are made through ground transportation, either in bulk tankers or commercial trucks and trailers, known as taut-liners. Typically, contracted trucks carrying Cabot products in Europe travel about 21 million kilometers to make these deliveries annually, which results in the generation of about 26,000 MT of CO₂ emissions a year. This past year, we sought to reduce our carbon footprint in this area in three ways: preferentially selecting more efficient EUR 6 trucks; using intermodal solutions when possible; and sourcing product closer to the end user.

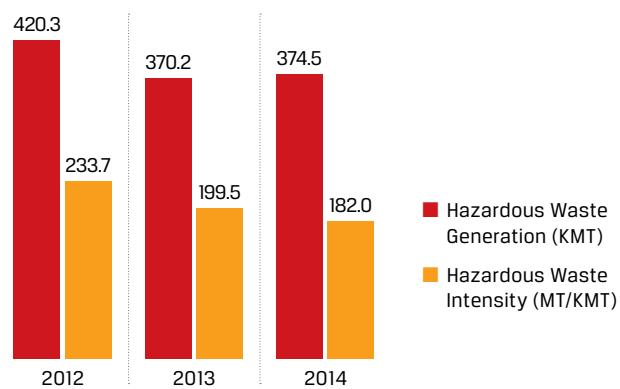
Reducing and managing our waste

Beginning in 2015, we will be measuring our progress against a goal to reduce manufacturing-related wastes by 15% by 2025. This goal is reflective of the need to ensure our manufacturing processes are efficient and on an intensity basis, generating 15% less waste from the baseline year of 2012. It is important to note that while we have made significant progress toward this goal already, we anticipate significant new waste streams will be created as a result of implementing air pollution control projects. Therefore, we expect that we will increase waste production by over 100,000 MT per year with no increase in production. In order to achieve this new goal, we will have to find ways to beneficially reuse these waste streams.

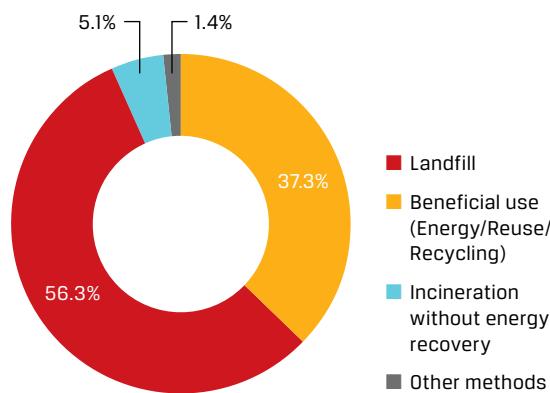
Non-Hazardous Waste Generation and Intensity

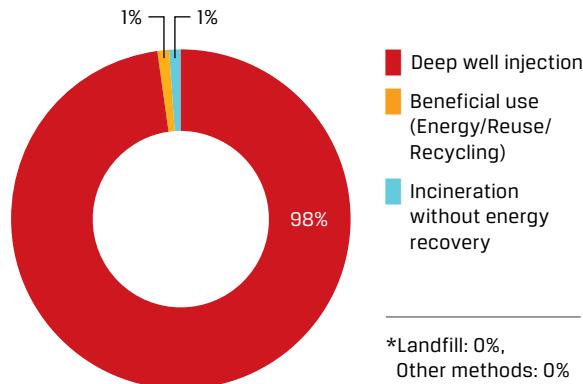


Hazardous Waste Generation and Intensity



2014 Non-Hazardous Waste Disposal Methods



2014 Hazardous Waste Disposal Methods

In 2014, we generated approximately 410,000 MT of waste, which is down 14% from generation rates reporting in 2013. Our total waste intensity (i.e., MT of waste generated per thousand metric tons of product produced) decreased by 22% when compared to 2013. Approximately 91% (374,000 MT) was classified as hazardous and 9% (36,000 MT) was classified as non-hazardous. The improvements in waste intensity continue to be driven by work to reduce our waste generation at our Tuscola, USA, facility, as well as significant changes in the production of cesium formate from our mine and chemical processing operations located in Lac du Bonnet, Canada.



FOCUS ON: AMERICAS

Tuscola waste reduction efforts

Beginning in 2009, our [fumed metal oxides](#) facility in Tuscola, USA, embarked on a multi-phased plan to reduce waste. Over the past several years, the plant has implemented several projects designed to reduce its hazardous waste generation rate. These projects included improvements to the acid scrubber system used for compliance with its air permit that realized an approximate 5% reduction in volume of waste generated. We also focused on reducing waste considered hazardous due to its pH levels. We identified and implemented a method for recirculating this water and achieved significant reductions in waste volumes. Since 2012, the site has reduced the intensity of its hazardous waste generation rates by more than 12%.

Our use and management of water

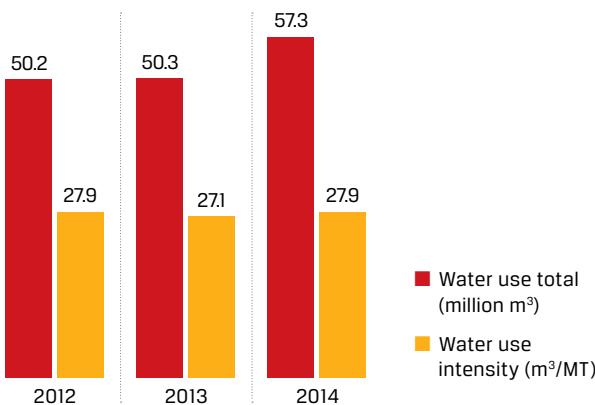
Water is an essential ingredient to our manufacturing processes globally. Our water continues to be obtained from a variety of sources, including surface water, private or public water supplies, recycled water from third parties or water extracted from the ground. Water is used in our manufacturing process for reaction quenching, pelletization of products, equipment cooling, steam activation of carbon, product washing, steam/electricity production and air pollution control. In 2014, in an effort to better understand the critical nature of our water dependence, we completed detailed water balance studies at three of our main manufacturing facilities and initiated additional studies at two other facilities. Our [water focus](#) is on identification of water and wastewater streams that we can reuse within our manufacturing operations and to validate water quality criteria needed for various manufacturing steps. In 2015, we will continue this effort and have begun to monitor the water programs at 12 key sites throughout our system of manufacturing plants.

We used 57.3 million cubic meters of water in our global manufacturing operations in 2014. In our Purification Solutions segment, water-use intensity declined over 23% from 2013, most notably through more efficient use of water at higher production rates. Our Reinforcement Materials segment achieved a decline of nearly 10% through

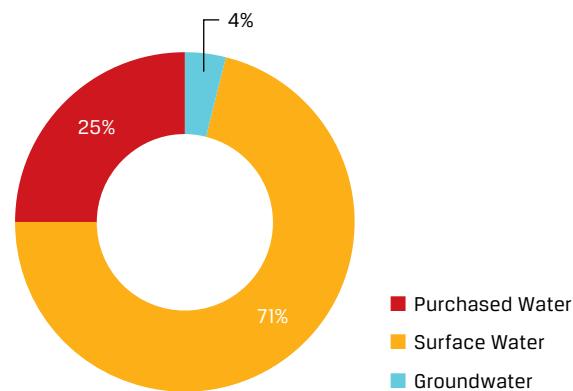


continued recycling and reuse efforts from our manufacturing activities. Despite these reductions, our use of 57.3 million cubic meters (m^3) represents an overall increase of 13.9% from 2013 and an increase in our water use intensity by 2.8% over 2013 to $27.9\ m^3/MT$ of production. This increase can largely be attributed to the installation of a waste heat recovery system in one of our European facilities. In order to maximize the recovery of waste heat from this facility, we installed a turbo-generator to produce electricity, which requires a significant amount of once-through cooling water. Without that installation, our water use intensity actually decreased by 6.8%, which is a reflection of the improved efficiency of water use in our manufacturing processes.

Water Usage and Intensity

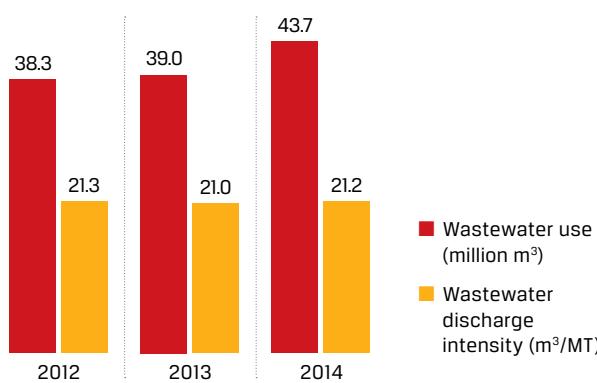


2014 Water Sources

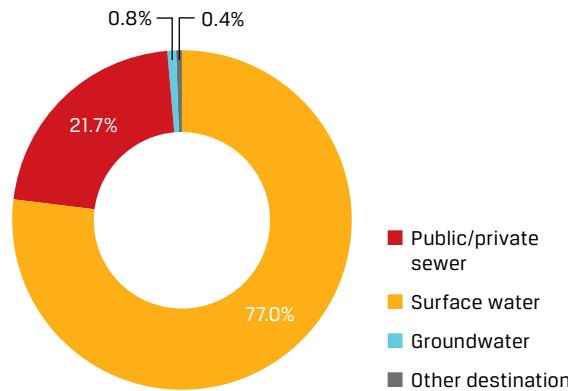


In cases where we are unable to recycle water, our wastewater is discharged in accordance with applicable permit requirements and/or local regulations. Approximately 44 million m³ of wastewater were discharged in 2014, which is 12% greater than in 2013, with the majority of this increase associated with the increased cooling water discharged from the one plant previously noted. If we eliminate this increase, our wastewater discharge intensity was reduced by 10.5%, reflecting our continued efforts to reduce our water use through aggressive recycling.

Wastewater Discharge and Intensity



2014 Wastewater Destinations



FOCUS ON: ASIA-PACIFIC

Jiangxi facility installs new wastewater treatment systems

To ensure we meet stringent wastewater discharge limits associated with our fumed metal oxides plant located in Jiangxi Province, China, we completed construction of a new industrial wastewater treatment plant as well as a sanitary discharge plant. Our manufacturing facility is located within a Jiangxi industrial park. Historically, we were reliant on a wastewater treatment plant (WWTP) located in the industrial park to properly discharge process and sanitary wastewater consistent with our land-lease agreement. The industrial treatment facility reached its capacity and began to experience problems managing all of the industrial park's wastewater.

For process wastewater, our Jiangxi team devised a treatment approach that ensures the final wastewater effluent from our plant can consistently meet the wastewater discharge standards that the industrial park's WWTP is required to meet. We are now able to safely discharge treated wastewater consistent with regulatory requirements. For our sanitary wastewater, we procured and installed a modular treatment plant. The new treatment system includes a membrane bioreactor and ultraviolet disinfection system, which produces a treated effluent that is clean enough that it can be reused on site either for irrigation of landscaped areas or as make-up water in cooling towers.





FOCUS ON: ASIA PACIFIC Tianjin water reduction efforts

Our carbon black manufacturing facility in Tianjin, China, completed a detailed material balance of the site's water use and wastewater streams. The primary objective of this was to identify recycling opportunities where water being discharged could be reused in the manufacturing process. The team identified a series of improvements that would direct water being discharged from a variety of sources to a central collection sump. From the sump, the water is reused in the flue gas desulfurization system to offset raw make-up water. The project implementation, which is ongoing, is expected to save 120,000 m³ of water per year, or approximately 5% of the total site water use, with a positive financial payback in one year.

Our management of environmental programs – ENCs and capital improvements

Our Drive to Zero initiative extends to the management of our environmental programs, with a goal of zero environmental non-conformances (ENCs). Our facilities report and investigate all ENCs. We have a unique definition of an ENC that we define as a reportable spill or release, a notice of violation, a public complaint or certain permit deviations. This broad definition enables us to have a comprehensive view of our environmental performance.

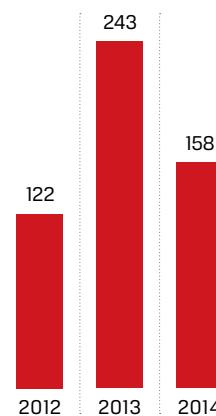
Each ENC is thoroughly investigated to determine the root cause and to implement corrective actions to minimize the possibility of future events. These root causes and corrective actions are communicated throughout the business with the idea of shared learnings to reduce the incidence of ENCs across Cabot.

In 2014, we realized a reduction of 35% in the number of ENCs from 2013. These reductions have been achieved by continuing our focus in the Performance Chemicals, Reinforcement Materials and Specialty Fluids segments' facilities, as well as accelerating improvements within the Purification Solutions segment facilities.

We continued to invest capital in new and upgraded pollution control equipment to continuously improve our environmental performance, spending \$14 million in 2014. The majority of this capital expenditure was for wastewater treatment plant upgrades in our Purification Solutions segment and initial engineering for air pollution controls updates in our carbon black manufacturing facilities in the USA and China.

Environmental Non-Conformances

(total number of events)



Fines and penalties

In 2014, we paid fines totaling \$1,056,000 for alleged environmental violations. Of this, \$975,000 was associated with the settlement of the Consent Decree signed with the U.S. Environmental Protection Agency (USEPA) and the Louisiana Department of Environmental Quality regarding our three carbon black manufacturing facilities in the USA. We chose to be the first signatory in the industry-wide initiative being led by USEPA to address SO₂ and NO_x emissions from carbon black manufacturing facilities.

In our ongoing efforts to comply with the Consent Decree, we have implemented operating procedures, best practices and monitoring to minimize particulate emissions at each of the three facilities. We continue our engineering design of the technologies required under the agreement and will install NO_x controls at our Pampa, USA carbon black facility in 2017. This will be followed by the implementation of SO₂ and NO_x controls at our Franklin, USA and Ville Platte, USA carbon black facilities in 2018 and 2020, respectively. In 2014, we also initiated the environmental mitigation projects focused on energy efficiency improvements in Pampa and Ville Platte and expect these projects to be completed in 2015, to be followed by the improvements in Franklin.

FOCUS ON: AMERICAS

Marshall ENC reduction efforts

In 2014, our activated carbon manufacturing plant in Marshall, USA initiated a multi-year effort to reduce its ENCs. Beginning in early 2014, the team evaluated the events that were causing ENCs and focused on implementing high-impact projects to reduce ENCs. The events at the outset covered two key media: ENCs associated with air and water/storm water permit conditions. The team grouped the events by cause and implemented projects to address the root cause of the events, addressing equipment design, plant drainage systems and control logic. As a result, ENCs have been reduced at the site, and the team is working on the next phase of the effort.



WE ARE CABOT



Nicolas Valencia

CURRENT POSITION: Technical Manager
LOCATION: Pôrt Jérôme, France

Process safety and different cultures

Nicolas joined Cabot in Cartagena, Columbia, as an intern in 2003, becoming a full-time employee later that year. He now works in France.

Cabot gave me the opportunity to continue development in a totally different country and continent, which has allowed me to learn and share my experience in carbon black production and process safety with new people. I also like Cabot because we care about the environment, which is something I've been passionate about since my childhood. I have always lived close to nature, and Colombia is a country full of natural resources and beauty. Cabot gives me experiences where I can make an important difference in these areas.

ADVANCING OUR PEOPLE



ROBBY SISCO
Senior Vice President,
Human Resources

People have choices on where to work, and the best companies understand that they must earn their employees' trust and confidence every day. Our goal is to build a workplace that attracts and retains the best talent.

In my experience, as the company's senior corporate leader for human resources, people want a place where they can reach their full potential, have an impact, and work with talented colleagues on projects that make a difference. Cabot is a great place to work because we meet these criteria on every level. Our company is big enough to have a global reach, and yet small enough where you can personally engage. Our culture is built on shared values with an emphasis on respect as well as on our personal and corporate commitment to safety, health and the environment (SH&E). Our people affirm that commitment to our SH&E principles on a daily basis, regardless of whether they work in a plant, lab, office or the field. When people engage with Cabot, they discover passionate and talented professionals who operate with the highest degrees of excellence, integrity, respect and responsibility. We also aspire to be good corporate citizens in the communities where we operate. Our people regularly

donate their time and support local charitable organizations. We are particularly focused on education, and helping prepare today's youth to be tomorrow's leaders.

Our customers have said they choose to work with Cabot because of our people. Accordingly, we view talent as a major differentiator for our company. In reporting directly to our CEO, I have the opportunity to work with the senior executive management committee as well as other senior leaders to help ensure that we develop and maintain a great workplace environment.

When I made the personal decision to join Cabot over 15 years ago, I believed at the time I was joining a great company that would challenge me and encourage me to continue to grow. It was true then, and it continues to be true today. I am grateful to have the opportunity to work for a company like Cabot. We will continue to focus on making Cabot a special place for everyone to develop and build their careers.

A handwritten signature in red ink that reads "Robby".



Our people: key statistics

Our team is talented, dedicated, committed, diverse and global.

Breakdown of total employee population by region

45% of Cabot employees work in the Americas (North America, Canada and South America); 32% work in Europe, the Middle East and Africa (EMEA); and 23% work in Asia Pacific.

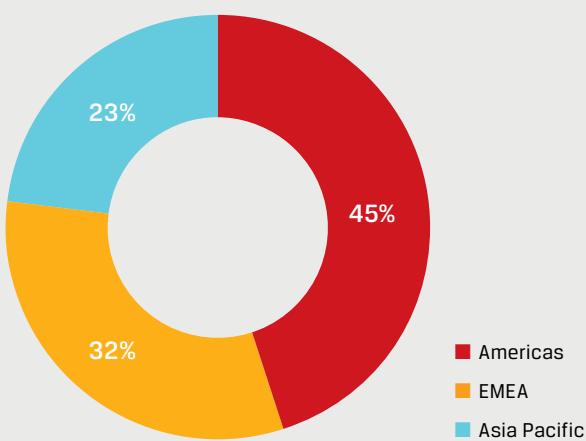
Our corporate headquarters and Business and Technology Center are located in Massachusetts and employ about 600 people. See graph below for employees by geographic area.

TOTAL CABOT WORKFORCE (As of 12/31/2014)

**4,739
employees**

Workforce by region

As of 12/31/2014



★ CORPORATE
HEADQUARTERS

EMPLOYMENT TYPE

98%
full-time **2%**
part-time

EMPLOYMENT CONTRACT

Only a few people worked at Cabot under a temporary arrangement.

99.2%
permanent

TOTAL NEW HIRES

634
new employees
in 2014

Calendar Year 2014 Turnover**Total employee turnover**

12%, or 581 people: 67% left voluntarily, 32% left involuntarily and 1% was a result of restructuring activities.

Breakdown by:**GENDER**

32% of turnover was female, 68% was male.

REGION

23% of turnover was in the Asia Pacific region, 32% in EMEA and 45% in the Americas region.

AGE GROUP

20% of turnover were people under 30 years old, 51% were between 30-50 years old and 29% were over 50 years old.

NEW HIRES BY REGION

21% of new hires were in the Asia Pacific region, 39% in EMEA and 40% in the Americas region.





Rights of workers

We support the rights of our workers to bargain collectively, and we comply with local laws of the countries in which we operate.

Employment diversity

We are committed to developing and fostering a diverse [workplace](#). As a global company, we employ people worldwide representing 24 citizenships.

Our goal is for our local workforce to reflect the communities in which we operate. Our procedures do not include specific mandates for local hiring. In 2014, we hired 634 employees globally, and more than half were from the country in which they were hired. One of our

DIVERSITY INDICATORS FOR THE OVERALL EMPLOYEE POPULATION

By gender, globally

Male	78%
Female	22%

By age group

Under 30	13%
30 - 50	55%
Over 50	32%

In the USA, by ethnic minority

Minority	23%
Non-minority	77%

many strengths is that there are local management teams in place.

We are further committed to treating all employees openly, fairly and equitably. We provide equal opportunity for all without regard to race, color, religion, age, gender, sexual

orientation, disability, national origin, veteran status or any other class or category of persons that is protected by relevant local law. This policy applies to all sites worldwide and is reflected in our [Code of Business Ethics](#). In 2014, there were no instances of any regulatory findings or actions regarding discrimination at Cabot.

DIVERSITY INDICATORS FOR EMPLOYEES IN THE GLOBAL LEADERSHIP ROLES

By gender, globally

Male	83%
Female	17%

By age group

Under 30	0%
30 - 50	40%
Over 50	60%

In the USA, by ethnic minority

Minority	20%
Non-minority	80%

DIVERSITY INDICATORS FOR THE BOARD OF DIRECTORS POPULATION

By gender, globally

Male	10 of 12 (83%)
Female	2 of 12 (17%)

By age group

Under 30	0%
30 - 50	0%
Over 50	100%

In the USA, by ethnic minority

Minority	2 of 12 (17%)
Non-minority	10 of 12 (83%)

DIVERSITY INDICATORS FOR EMPLOYEES IN PROFESSIONAL AND MANAGEMENT JOB POSITIONS

By gender, globally

Male	79%
Female	21%

By age group

Under 30	1%
30 - 50	61%
Over 50	38%

In the USA, by ethnic minority

Minority	16%
Non-minority	84%

Keeping our people safe

Our commitment to our people starts with **safety**. Safety is and always will be our number one priority. Our employees from around the world share a deep sense of responsibility to keep each other, our visitors, our contractors and our neighbors safe.

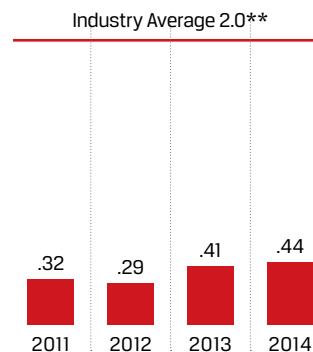
SH&E is fundamental to our culture. We strive to actively engage all of our employees in SH&E, both personally and professionally. All of our manufacturing locations, regional offices and service centers have joint health and safety committees in which approximately 9% of our employees actively participate.

Over the past few years, our safety performance has been relatively flat, with a 2014 total recordable incident rate (TRIR) of 0.44. While still significantly below the U.S. chemical industry average, we are not satisfied with our performance and have refocused our efforts. In 2014, we created new methods to continue to advance our safety performance, including safety cultural and leadership assessments and priority site reviews. We did, however, achieve some significant safety accomplishments in 2014, including:

- ◆ **Zero recordables.** Over 65% of our facilities – 34 in total – achieved more than one year without experiencing a recordable injury.

- ◆ **Reduced recordable incidents.** The number of recordable incidents decreased 9% from 34 in calendar year (CY) 2013 to 31 in 2014.
- ◆ **Improvement in Purification Solutions.** We achieved solid improvements in the past year, with a 38% reduction in the number of recordable injuries.
- ◆ **Reduced severity rate.** We achieved a 16.5% decrease in our severity rate to 6.38 in CY 2014, down from 7.63 in CY 2013.

Total Recordable Incident Rate*



* Includes both employees and contractors; TRIR is the number of injuries per 100 employees. 2011 data is Cabot only; 2012 data is based on 5 months of Norit data

** Industry average is based on the U.S. Bureau of Labor and Statistics, 2013 Chemical Industry Average



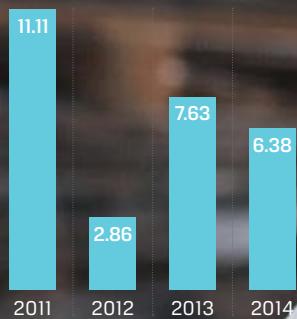
Lost Time Incident Rate*

* Includes both employees and contractors

LTIR is the number of lost time injuries per 100 employees

2011 Data is Cabot only; 2012 data is based on 5 months data for Norit

** Industry average is based on U.S. Bureau of Labor and Statistics,
2013 Chemical Industry Average

Severity Rate*

* Includes both employees and contractors

Severity rate is an internal Cabot measure based

on injuries with more than 10-days lost time,
a fracture or amputation





Process safety

One of our guiding SH&E principles is to design and operate our facilities with process safety as a priority. While only two of our plants are required to meet the strict compliance requirements of the U.S. Process Safety Management (PSM) regulations, our PSM program includes all of our manufacturing operations worldwide. Standards and performance expectations have been developed and implemented, aided by a network of PSM experts strategically located around the world.

An important measure of [process safety](#) performance is the number of process safety events (PSEs). We analyze root causes for PSEs so we can take actions to prevent future incidents. To increase our transparency, we exten-

nally report our PSEs, using the widely known Center for Chemical Process Safety (CCPS) definitions. The CCPS defines a PSE as a "release of material or energy from a process that resulted in injury, fire or explosion, or release of flammable, combustible or toxic chemicals." Based on the severity of an incident and other criteria, PSEs are subdivided into tiers to provide consistency in reporting and measuring performance across the chemical industry. A Tier 1 event is a loss of containment resulting in consequences that include injuries to workers that require lost days, fatalities or direct monetary loss of \$25,000 due to a fire or explosion. Tier 2 events are also a loss of containment, but result in less severe consequences, such as a recordable injury or a direct loss of \$2,500 due to fire or explosion. In 2014, Cabot facilities had one Tier 1 and one Tier 2 PSE. In both 2012 and 2013, we had only one Tier 2 PSE in each year.

To help ensure incidents occurring at a given facility are not repeated at another, the analysis of each incident and the associated lessons learned and corrective actions taken are shared globally.

Since 2000, we have made good progress towards our process safety goal of zero process safety events at our plants. We continually evaluate and benchmark our process safety programs with other companies. With the support and direction of our Executive PSM Steering team, we monitor and regularly report program progress to help meet our goal of zero process safety events.

WE ARE CABOT



Jessica Ibarra

CURRENT POSITION: SH&E Coordinator
LOCATION: Altamira, Mexico

What attracted you to Cabot?

I have a lot of experience in this industry, and I have known for a long time that Cabot is a market leader – and I want to work for the best company. I have been at Cabot for more than a year now, and I feel great about my choice to come here. I can see how much Cabot really cares about safety. At our plant, we are constantly emphasizing safety in all of our processes, and in everything we do. I feel like I work at a company that really cares about its people.



Implementation of Responsible Care®

In 2014, we further improved our commitment to SH&E leadership and the American Chemistry Council's (ACC) Responsible Care® program in the following ways:

- ◆ We completed successful surveillance audits at three North American manufacturing sites and the Alpharetta Regional Business Service Center
- ◆ We closed noted gaps, performing gap analyses against the newly issued Process Safety and Product Safety Codes of Practice and developing gap closure plans
- ◆ We submitted SH&E performance metrics data to the ACC
- ◆ We conducted periodic management reviews at all covered sites, while revising SH&E performance goals and objectives based on periodic risk assessments, as needed

We have been implementing Responsible Care® since 2012. Responsible Care® is the global reference for excellence as it relates to SH&E performance and signifies our deep belief in the value of external engagement and third-party certification of the company's SH&E management systems. Within this program, we have chosen to implement Responsible Care® 14001, which incorporates the requirements of both the Responsible Care® code and the International Organization for Standardization (ISO) 14001 Management Systems, for our manufacturing facilities in the USA and our carbon black facilities in Canada.

Several of our international locations have also adopted the Responsible Care® principles of their respective countries, including our carbon black manufacturing facilities in Argentina, Brazil, Colombia, the Czech Republic and the United Kingdom. We are also a member of the Association of International Chemical Manufacturers that promotes Responsible Care in China.

In May 2015, our CEO signed the [Global Responsible Care® Charter](#), which represents a global commitment to the principles of Responsible Care, wherever we operate.



One day a year, all Cabot employees worldwide stop their normal routine activity and come together at their sites to focus on the topic of safety.

Global Safety Day

We invest in building a safety culture through many different ways. One of the most important investments is Global Safety Day. One day a year, all Cabot employees worldwide stop their normal routine activity and come together at their sites to focus on the topic of safety. During these special events, our team members celebrate their accomplishments during the past year and also discuss how we can raise our level of commitment in driving closer to zero injuries during the coming year. Our leaders discuss best practices at other facilities and also talk about how we can keep ourselves, our colleagues and our neighbors safe at home and when we travel.

Safety excellence leads to performance improvement at Valmez

Companies that are excellent in safety also tend to produce the highest quality products. Our rubber blacks team in [Valmez, Czech Republic](#), has proven this point strongly during the past three years. In 2011, Valmez lagged behind many of our carbon black sites on adhering to our safety standards. A shared sense of urgency about the need to change the site's safety culture was a direct result of a fatal incident that occurred at the plant in December 2011. The Valmez team took action immediately, spending the month after the incident in an intensive period of analysis. They developed a clear action plan that focused on safety, teamwork and the involvement of every employee.

As a result of this focus, planning and execution, the Valmez site transformed itself into one of our best performing sites. During the entire 2014 calendar year, the Valmez team maintained the strongest ratings within our [rubber blacks](#) manufacturing network for safety,



WE ARE CABOT



Song Ting Hua

CURRENT POSITION: Administrative Assistant
LOCATION: Shanghai Plant, China

What attracted you to Cabot?

I am impressed with the high level of support that Cabot shows for safety. It means that we pay close attention to protecting everyone – including our own employees, contractors and other people who visit the plant.

environment, process safety, complaint rates, equipment efficiency and other key indicators. Significantly, the Valmez team has simultaneously seen a positive shift in all operational areas, specifically related to product quality and manufacturing performance.



Growing and recruiting talent

A key element to our success is our people. We develop the talent within our organization, as well as recruit new talent from outside the company. To that end, we have identified the appropriate talent strategies to fill critical positions across the company. Our recruiting strategies include the implementation of new technologies, creating an in-house sourcing team of recruitment experts and expanding our brand at top universities.

To recruit effectively, we built a system and process to find, manage and add top talent to our pipeline. Last year, we implemented a global applicant tracking system called [Cabot Recruit](#), which has been implemented in more than 20 countries and offered in 11 languages. The new system helps ensure compliance, while also helping us effectively manage internal and external candidates worldwide. We also use social media sites and traditional job search engines around the world to connect with potential candidates.



// Liz Galvin on cultivating talent

In addition to working with people actively seeking a position, our HR team also looks for those who are not in an active job search who might be good fits for our openings.



"Our sourcing teams are experts in searching techniques, especially through the internet," said Cabot lead sourcer Liz Galvin. "We find candidates through social networks, job boards, industry associations, networking groups and really anywhere that someone would have an online foot-

print, and find a way to get in contact with them. Once we start a discussion with someone, we talk about Cabot's strengths as a company, and the opportunity for them to add value and grow their career."

"We also grow our future talent pipeline through this activity," Liz said. "If a strong candidate isn't ready to join us when we first start talking with them, we keep them in mind for future roles so that when a position does become available, we can fill it with the best talent, as soon as possible."

Expanding our presence

We have been expanding our presence at top colleges and universities, and within our local communities.

- ◆ In the USA, we recently launched an MBA internship program and delivered introductory presentations at 10 top business schools across the country, conducted by Cabot alumni of those schools. This resulted in about 1,000 applicants, six of whom were hired as interns for our business segments and functions. We also offer undergraduate summer internships, cooperative education opportunities and hire highly technical Master's degree or Ph.D. graduates for our rotational scientist program.
- ◆ In EMEA, we have sought to address youth unemployment by giving students work experiences to help them find permanent jobs in the future. In 2014, six of our EMEA facilities supported 18 apprentices and trainees, for assignments ranging from four months to three years. In Ravenna, Italy, last year, we hired two full-time employees who came directly from this apprentice program.
- ◆ In Asia Pacific, we offer many undergraduate internship opportunities throughout the year.
- ◆ In South America, our Cartagena, Colombia, site hosted an open house program where local students from nearby public and private institutions visited our plant and learned more about Cabot. The site hosted 130 students last year during the course of nine visits.





FOCUS ON: ASIA PACIFIC

Fudan University visit

In November 2014, we welcomed a delegation of 25 international MBA students from Fudan University at our Asia-Pacific headquarters in Shanghai, China. During the meeting, the students received a business overview from Cabot Asia Pacific President Jeff Zhu.



Employee development

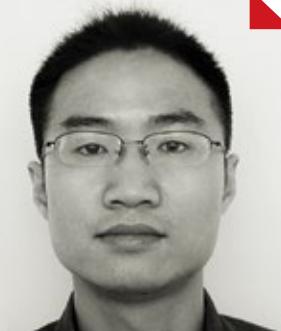
We have established a set of principles that define what we believe is most important in the work of employee development. This starts with our fundamental belief that employee development is a shared responsibility and both managers and employees have important roles to play.

Employee development is about acquiring and demonstrating competencies. Employees' abilities to apply what they have learned through different experiences will be a key factor in how far their careers will progress at Cabot. The career progression for each employee is unique. The model below shows the key stages in the progression of roles. Understanding how the scope and complexity of jobs increase in the organization may be helpful for thinking about the different experiences needed for an employee's career to progress.

We currently track training on a site by site basis. Depending on employees' roles, they received the following average hours of training:

	Clerical/ Technical/ Operators	Professionals and Supervisory	Management and Experienced Professionals
Average hours per employee	34	38	28
Americas	44	55	37
EMEA	32	28	25
Asia Pacific	27	32	23

WE ARE CABOT



Kai-jian Luo

CURRENT POSITION: Process Engineer
LOCATION: Jiangxi, China

Building the talent pipeline

This is my first job after graduation from university. What I appreciate about Cabot is that this is a good company that provides people with opportunities to develop. I started with Cabot as a production operator and then I became a production shift supervisor, where I learned a lot about the fumed silica process. After that, I was promoted to process engineer, and I am continuing to find new ways to grow my career.

Strategic Leadership Leading the organization

Expert Level Specialists and Management Levels
Broad impact

Professional and First Line Leaders
Depth of knowledge and experience

Entry Level
Build knowledge and experience

Benefits

We support our employees and their families globally by making available a wide variety of benefits to all eligible, regular full-time employees. Our comprehensive benefits program is designed to supplement the social security benefits of every country where we operate.

Because each country's social security benefits are different, our benefits vary widely by location. Typical benefits available may include:

- ◆ Healthcare, including medical, dental and vision insurance. Coverage is available to employees and their eligible family members
- ◆ Life and accident insurances
- ◆ Disability insurance
- ◆ Retirement savings and pension plans
- ◆ Business travel accident insurance
- ◆ Vacation, holiday and leave entitlement
- ◆ Education financial assistance
- ◆ Retiree medical coverage

In countries where we are allowed to do so by law, our benefits are available to same-sex domestic partners or same-sex spouses.

Part-time employees, who comprise less than 2% of our workforce, receive a portion of these benefits, depending on location and other factors.

WE ARE CABOT



Vilma Fontal

CURRENT POSITION: Treasury and Regional Credit Management

LOCATION: Campana, Argentina

Describe your experience working at Cabot

I've been working at Cabot for 32 years now. What I appreciate most about Cabot is that it is a dynamic and creative company that lets me participate in many different projects. I enjoy being able to work with colleagues both here at home and in other regions. I've had the opportunity to work with great people, which has allowed me to learn new ideas and grow in many ways.

Our United States based employees have access to additional benefits, such as:

- ◆ Financial counseling
- ◆ On-site retirement education
- ◆ Tax-effective accounts such as flexible spending accounts, health savings accounts and commuter savings accounts
- ◆ A comprehensive well-being program that encourages employees to "Live Healthy; Thrive Together"

A comprehensive summary of the benefits available to United States based employees is available at cabotcorp.com/ourbenefits.



Engaging our employees

We aspire to have a fully engaged workforce where our employees know how the business is performing and understand how they can make the biggest contributions to help us achieve our goals.

Our senior leadership team takes active steps to engage with employees and solicit ideas on how we can make the company stronger.

Lunch with Patrick

Cabot's Chief Executive Officer and President, Patrick Prevost, frequently travels to Cabot locations around the world. During these visits, he invites employees to join him for lunch, providing an opportunity to engage with one another in an informal setting. The sessions allow employees to ask questions and receive responses directly. In addition to highlighting their ideas for innovation, employees are also able to provide Patrick with insights into our culture and businesses in a unique setting.

FOCUS ON: AMERICAS

Engagement survey

In 2014, our employees in Brazil partnered with the Great Place to Work Institute to conduct an organizational climate survey of the Best Companies to Work. The engagement campaign was titled "A Cabot é Toda Ouvidos" or "Cabot Is All Ears." The survey had a significant participation rate of 93%, well above the average participation rate of 70%.

In an effort to continuously improve, employee work groups were formed to address and implement actions for several findings from the survey, including enhancing communication efforts and implementing additional leadership training.



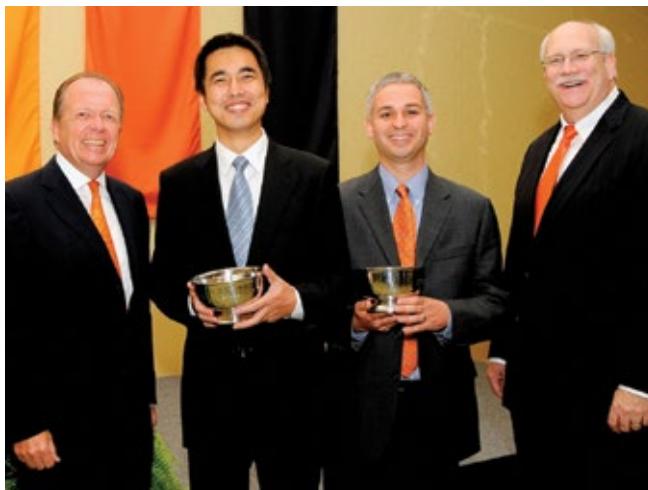
Developing Leaders

In 2014, we continued our commitment to our leaders' professional growth. Our Developing Leaders program provides a leadership development framework that recognizes the need for both a global core set of skills and region-specific needs and ways of fulfilling them. This corporate-regional partnership fosters local innovations that may be replicated across the company.

First time leaders and leaders new to Cabot are trained to ensure they share a foundational knowledge of our values, a commitment to ethics and SH&E, and our expectations of leaders, including the importance of performance-based management. Additional training in leader-

ship and other skills needed for success are implemented locally or regionally.

In 2014, our Brazil and Argentina sites incorporated functional manager meetings into their leaders' onboarding process to build business acumen. Employees in Dubai conducted a one-day leadership program in August using a team management system questionnaire in which leaders defined their work preferences. The day's activities resulted in accelerated working relationships and a high-functioning, committed and well-integrated team. In the United States, a finance leadership training program was developed to provide training on finance capabilities that allows for personal development, provides opportunities to interact with members of our leadership



team, promotes interaction among finance groups and educates functional employees about various finance specialties. Similarly, in Tianjin, China, a rotational program was created for employees who have a strong desire to develop their career in a different job function. We are willing to offer work opportunities to enhance employees' capabilities and diversify our workforce.

Recognizing accomplishments: Awards for Excellence

The Samuel W. Bodman Awards for Excellence were established in 1989 to recognize employees from across

WE ARE CABOT



Carl Long

CURRENT POSITION: Regional Director of North America Manufacturing

LOCATION: Billerica, USA

Why you've enjoyed advancing your career at Cabot

Cabot's size has been a distinct advantage in my development. It's large enough to offer valuable career opportunities and small enough to allow for regular interactions with members of senior leadership. I have been able to advance my career here, beginning in a relatively small business segment and moving into Cabot's largest business segment. Throughout my career here, there has been an emphasis on developing competencies that are transferable from one Cabot business to another. I have been able to increase my own leadership capabilities by learning from the examples set by a diverse group of leaders throughout the organization.

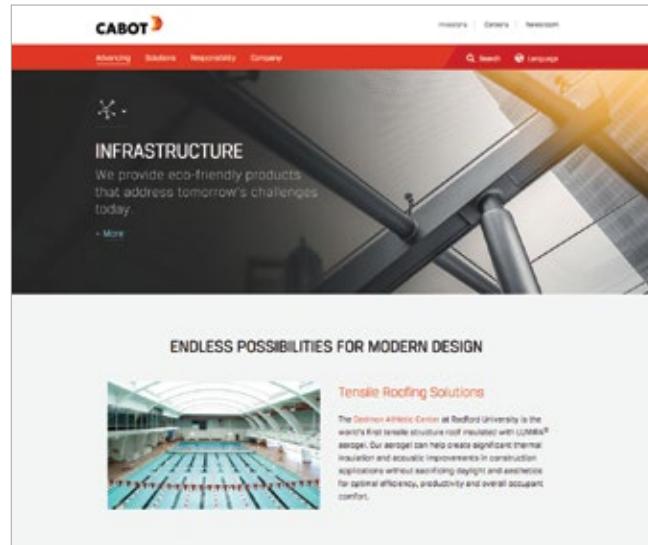
the organization for outstanding contributions to our business success. Named for our former chairman, the awards are open to all employees who have made a significant positive impact on business results, while adhering to the company's values and safety culture. All employees, including those employed by joint ventures, are eligible for this award.

In 2014, approximately 15 teams and individuals were recognized as award winners.

New website

In October 2014, we launched a new website as an extension of our recent rebranding initiative that enhances our communications and interactions with our stakeholders. Completely redesigned from a graphics, content and technology perspective, the new website fully represents today's Cabot: a global company with smart employees who are poised to collaborate with our customers, solve their problems and deliver outstanding products and customer service.

The new website integrated all of our external websites under one domain and features simplified navigation, ease of information, a mobile-friendly responsive design, visual appeal and more. In addition, the new website features seven languages: Chinese, Dutch, English, German, Japanese, Portuguese and Spanish. This enables more of our global customers to see information about the company, our products and our SH&E progress in their native language. See these features, and more, at cabotcorp.com.



WE ARE CABOT



Debora Frison

CURRENT POSITION: Business Planning Analyst
LOCATION: São Paulo, Brazil

Work-life balance in the workplace

"My great personal challenge is to balance the professional and personal sides of my life. Professionally, I want to continually develop my skills and grow my career. Personally, I am the mother of young twins, who are two years old and need me very much. I value Cabot because this is a company that allows me to balance both parts of my life. During my time here, I've been able to get exposure to a broad range of people and activities not just in Brazil, but throughout South America and across the

globe. I started working at the Maua plant as an apprentice, and grew my skills during an internship working with the Human Resources and Finance departments. Over time, I've been asked to participate in many important projects to the company, and in my current role, I have much greater involvement with the commercial area and with regional leadership. At the same time, I have the support of my leaders to take care of my children when they me need the most, which I value a great deal."

ADVANCING OUR COMMUNITIES



Cabot in our communities

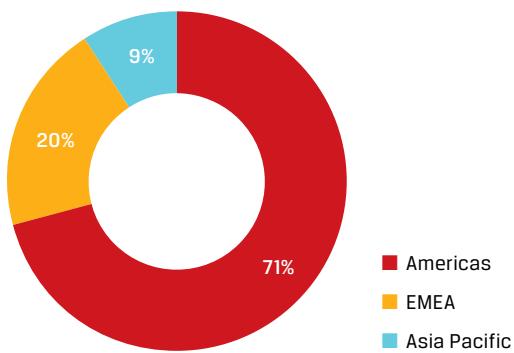
In the spirit of our values, we actively contribute our time, money and talent to support the communities where we work and live. Our corporate giving includes cash gifts from our local sites and the [Cabot Corporation Foundation, Inc.](#), combined with volunteerism by our employees worldwide.

Corporate citizenship through the Cabot Foundation

From January 2014 through June 2015, we have given approximately \$2 million in charitable donations through cash and in-kind donations.



Funding by Region



Community

43%



SH&E

17%



Education

40%

// Roberto Ballardini on community engagement

We take great pride in our communities and we want to make them better places. We seek to achieve this goal by providing and sustaining good-paying jobs, keeping our people and visitors safe and contributing our time and resources to important local projects. Engagement and collaboration are two of the most important elements of Cabot's approach to corporate citizenship.

I personally appreciate the support and empowerment that the Cabot Foundation gives us. The Foundation empowers every Cabot site to make recommendations on how the company's community relations resources should be allocated. We have the ability to choose for

ourselves which local projects or organizations we want to support. At the carbon black plant in Ravenna, Italy, where I work, Cabot supports me in collaborating with teachers at the local Scientific High School (Liceo Scientifico A. Oriani) to share concepts with students that are not typically learned during the normal school day. This is a great example of teamwork, and another way in which Cabot encourages all of us to engage in our communities.





We support education

We view education as the cornerstone of community sustainability. The Cabot Corporation Foundation gives priority to science, technology, engineering and math (STEM) education initiatives, and supports a number of programs for students of various ages and teachers. Each year we make approximately 40 charitable contributions to nonprofits that serve the communities where we live and work around the world, some of which are identified in the following pages.

We are proud of our involvement with these organizations and programs, and inspired by the work they are doing in our communities.

// CABOT SUPPORTS EDUCATION



Supporting the Massachusetts State Science & Engineering Fair

The [Massachusetts State Science & Engineering Fair \(MSSEF\)](#), founded by the American Academy of Arts and Sciences and a passionate group of science educators, has been advancing science literacy and inspiring new generations of science and engineering leaders since 1949. We have been the lead sponsor of MSSEF's middle school science fair for the last 20 years. Every year, a number of our employees serve as expert judges of student projects at the middle and high school fairs, and as master of ceremonies.





Aiding the Epiphany School

[Epiphany School](#) is an independent, tuition-free middle school serving children from economically disadvantaged backgrounds from Boston. Epiphany's mission, to "never give up on a child," is achieved through its 11-month school year with 12-hour school days, low student-teacher ratios and tutoring, and a model that ensures that a child's health and social-emotional needs are being met so that academic success is also achievable. We have been a principal funder of the school's science program since the school was founded approximately 17 years ago.

Funding the University of Louisiana at Lafayette

The Chemical Engineering Department at the [University of Louisiana \(UL\)](#) Lafayette was established in 1942 to provide technical support to the chemical and petroleum industries in the state of Louisiana. Today, the school is

recognized as a top research institute and research and development university. We are fortunate to have among our employees a number of graduates of the UL Chemical Engineering Program. We funded an endowed scholarship in the Chemical Engineering Department more than 20 years ago and more recently we have provided additional funds to renovate the department's Chemical Process Simulation Laboratory.

Supporting Foundation Lindau Nobel Laureate Meetings

In recent years, we have established a relationship with the [Foundation Lindau Nobel Laureate Meetings](#). The annual Lindau meetings bring together Nobel Laureates, students, Ph.D. candidates, and post-docs from the fields of physics, physiology or medicine and chemistry in a globally recognized forum for the transfer of knowledge between generations of scientists. Through panel discussions and seminars that reflect current scientific topics and present relevant fields of research of the future, scientists educate, inspire and connect. These meetings include innovation forums, which provide an opportunity for industry leaders to meet and exchange ideas. A portion of our annual contribution is used to support students from the United States attending the event.

Supporting NOVA to promote STEM education



An important part of our mission in community giving is to promote STEM education with young students. One way we are doing this is through the sponsorship of the 2014-15 television season of a popular science television program, NOVA, on the Public Broadcasting Service (PBS) network. NOVA brings viewers the science behind the headlines, exploring cutting-edge breakthroughs in engineering, technology and environmental science. NOVA is produced in Boston and our sponsorship is for the local broadcast in the New England area on the local PBS affiliate, WGBH.

// CABOT SUPPORTS EDUCATION

Hosting MIT students for Practice School

The ability to identify and partner with research universities bolsters our technical capabilities and fosters a more enriching experience for both students and our R&D scientists. In 2014, we partnered with the [Massachusetts Institute of Technology \(MIT\)](#) on a program to help support this goal. The Department of Chemical Engineering at MIT has been running the David H. Koch School of Chemical Engineering Practice, commonly known as Practice School, since 1916. In the Practice School, small groups of students spend two months at a host company working on intensive projects of real strategic value. In 2014, we hosted six MIT students for this program, during which they collaborated with Cabot scientists and researchers on important projects with our teams in Purification Solutions, Reinforcement Materials, Performance Chemicals and graphenes.

Supporting local schools in China

In December 2014, our team in Xingtai made a series of donations to local schools. The donations help students and their families who need financial support to pursue education. In Tianjin, we donated more than \$25,000 (Rmb 160,000) to Tianjin Binhai New Area Charity Association. The sum will go towards providing 56 students with financial support to help them complete their studies. We celebrated our 10th anniversary in Jiangxi by donating \$17,000 (Rmb 100,000) to Yongxiu County Third Middle School to purchase computers and classroom equipment. In Shanghai, we presented \$10,000 (Rmb 58,000) to the Minhang branch of the Shanghai Charity Foundation in August 2014.

Our support of education in the greater Boston area

With our world headquarters located in Boston, many of our education related initiatives are naturally aimed at helping students in the Greater Boston area. Highlights include:

- ◆ **Benjamin Franklin Institute of Technology:** BFIT offers affordable college education for technical apprentices. We provide funding that supports scholarships and summer internship programs, to give students with financial need the opportunity to develop and grow their skills.
- ◆ **UTeach at UMass Lowell:** We provide funding to support STEM teacher preparation, including the development of conceptual teaching skills, and the opportunity to practice these new methods in local K-12 classrooms.
- ◆ **The Museum of Science (Boston):** We sponsor "The Afternoon Report," a 20-minute live presentation offered daily, addressing a wide range of science and technology issues.
- ◆ **Read to a Child:** We provide both financial and volunteer support to three Boston-area schools. This national lunchtime reading program pairs volunteers with students in grades 1-4 for weekly one-on-one read-aloud time during the child's lunch hour.
- ◆ **Perkins School for the Blind:** We provide funding necessary for a mathematics teaching assistant in the school's secondary program mathematics department.



2014/2015

ADVANCING OUR COMMUNITIES



// CABOT IN OUR COMMUNITIES



Tuscola receives Governor's Award for sustainability

The state of Illinois recognized our Tuscola, USA facility for improving the site's environmental and sustainability performance. In 2014, the Tuscola team retrofitted older equipment, updated a once-through gas scrubber system with a recirculating system and installed a new atmospheric air dryer and chiller system. These actions alone enabled Tuscola to save more than 7.5 million kilo-watts of electricity and 7.2 million gallons of fresh water annually. That's enough energy to power more than 735 homes and provide fresh water to almost 200 people every year. In November 2014, the state named Cabot an honorable mention recipient of the Governor's Award, given by the Illinois Sustainable Technology Center, in association with the University of Illinois.



Botlek engages with local community

At our carbon black facility in the Netherlands, members of our Botlek team regularly join 16 other local companies to participate on a regional community sounding board. This group discusses common issues affecting the region, including sustainability, as well as specific concerns raised by neighbors. In May 2014, the sounding board had its meeting at our Botlek site, along with students invited from a local elementary school. The goal of the combined visit was to help stimulate the interests of the children in science and the chemical industry. In this half-day session, some 50 children were introduced to our products and conducted a variety of chemical experiments.



Valmez celebrates 20th anniversary – opens doors to community

To celebrate the 20th anniversary of our carbon black manufacturing facility in the [Czech Republic](#), our Valmez team held an open house for the community and offered tours to almost 500 visitors in May 2014. Neighbors, contractors and employees' family members participated in a site tour. Our guides took the guests through the laboratory, the control room and the production area.



Indonesia holds bicycling event

In Cilegon, Indonesia, our team coordinated a joint bicycling event with one of Cabot's key global customers in October 2014. The event was held as part of a larger continuous improvement initiative to promote good health and build stronger relationships in the community. A total of 58 participants from both companies rode 30 kilometers together around the Cilegon area. During the course of their journey, the team stopped to visit two local schools to donate school supplies and a medical care facility to donate some basic medical equipment.

// CABOT IN OUR COMMUNITIES



Supporting youth in China

In China, our Shanghai, Xingtai, Tianjin and Jiangxi teams make regular donations to local schools and students. In 2014, these four sites contributed the following:

- ◆ **Shanghai:** We donated to the Minhang brand of the Shanghai Charity Foundation in August 2014. This one-time grant provides educational support to more than 20 students.
- ◆ **Xingtai:** In our last sustainability report, we discussed how we provided financial support to help construct a new building for a local primary school near our plant in Xingtai. The Xihuang Village Hope Primary School in Xingtai County opened last fall.
- ◆ **Tianjin:** We launched a new charity program, which included a \$17,000 (Rmb 100,000) donation to the Fund for Children with Congenital Heart Diseases (under the Ministry of Civil Affairs' Tomorrow Plan – Protecting the Hearts of Children Program). The funds will help cover the cost of surgery for 10 children in need of help who are suffering from congenital heart diseases.
- ◆ **Jiangxi:** We celebrated our 10th anniversary in Jiangxi by donating \$17,000 (Rmb 100,000) to the Yongxiu County Third Middle School to purchase computers and classroom equipment.

China sites celebrate World Environment Day

In China, we celebrated World Environment Day at several of our sites in June 2014. In Shanghai and Tianjin, we held Open-to-Public Day events, themed "Chemistry and the Environment." These events, which highlighted how Cabot is working to responsibly improve modern-day life and the environment, were attended by hundreds of residents, students, industry association members and officials from all levels of government. Meanwhile, our Xingtai team organized a special event at the Xihuang Village Hope Primary School. The team members spoke with students about the importance of protecting the environment, while also donating more than 300 books.

Holiday outreach in South America

In the South America region, we delivered more than just holiday cards in 2014. As part of a region-wide initiative, we agreed to donate a certain amount of non-perishable food for every time someone clicked on one of the company's interactive holiday cards. Our employees sent cards to customers, suppliers and other partners in December 2014. As a result of this engagement, we donated more than two metric tons of non-perishable food to local charitable organizations in Argentina, Brazil and Colombia, between January and March 2015.

Supporting local schools in Argentina

Our employees in Campana, Argentina, reach out to students at local schools throughout the year to talk about how to recognize potential safety risks at home. The team also frequently engages with local high school and college students to discuss science and the manufacturing process. In October 2014, the team visited the local technical high school, Luciano Reyes, and in November 2014 it hosted an open house for students from the National Technological University and Buenos Aires University.

Child health care support in Colombia

Our team in Cartagena, Colombia, made donations to two local organizations that provide important health care to children. The Fundación Hospital has a special pediatric cardiovascular program that gives affordable access to quality care for more than 250 children a year. We contributed to getting the hospital specialized technology equipment for this program. In addition, the team contributed to an endowment for the Fellowship Niños de Papel new Detoxification Unit. This program provides drug prevention, treatment and rehabilitation services for children ages 12-18.

Awards & recognitions

We are proud to be recognized by community leaders, customers and leading industry organizations as an outstanding corporate citizen and supplier. Here are highlights of some of the [awards and recognitions](#) that we have received during 2014:

- ◆ **2014 Leader in the Law** – Brian Berube, Cabot senior vice president, general counsel, given by *Massachusetts Lawyers Weekly*.
- ◆ **Social Contribution Award** – Cabot (China) Ltd., Corporate Citizen Model for the China Petroleum and Chemical Industry, given by the China Petroleum and Chemical Industry Federation (CPCIF) and *China Chemical Industry News*.
- ◆ **2014 Harmonious Labor Relations Enterprise** – Cabot Bluestar Chemical Co., Ltd., (Jiangxi), given by the Jiujiang city Human Resources and Social Security Bureau and the Jiujiang City General Work Union.
- ◆ **2013 Energy Efficiency Frontrunner List** – Cabot Chemical Co. Ltd., (Tianjin), given by the CPCIF
- ◆ **2013-2014 Excellence Award** – Cartagena, Colombia, presented by SURA ARL, a professional risk management company, for world-class SH&E risk management.
- ◆ **2013 – 2014 Best Social Responsibility Company** – Cartagena, Colombia, for work with the Mamonal Foundation.
- ◆ **Responsible Care® Gold Award** – Cilegon, Indonesia.
- ◆ **2014 Enterprise Contribution Award** – Jiangxi, China, given by the Yongxiu County Party committee and Yongxiu County People's Government.
- ◆ **2014 Environmental Credit System Evaluation** – Cabot Chemical Co., Ltd., and Cabot High-Performance Materials Co., Ltd., (Tianjin), given by the Environmental Protection Bureau of Tianjin Economic-Technological Development Area (TEDA).
- ◆ **2014 Safety Excellence Enterprise** – Cabot Chemical (Tianjin) Co., Ltd., Tianjin, given by the Administration of Work Safety of TEDA.
- ◆ **J.T. Ryan Safety Award** – Tantalum Mining Corp of Canada Ltd. (Tanco), Lac du Bonnet, Canada.
- ◆ **PAM-NUDEC Capuva Silver Trophy Award 2014** (PAM-Mutual Auxiliary Plan) – Maua, Brazil.
- ◆ **Responsible Care® Gold Award** – Merak, Indonesia.
- ◆ **Best New Workplace** – Riga, Latvia, given by the Latvian Ministry of Economics.
- ◆ **Winner – Sustainability Category in the Top Rubber Awards** – São Paulo, Brazil, given by the *Revista Borracha Atual*.
- ◆ **Good Corporate Citizen Recognition** – São Paulo, Brazil, given by the American Society of São Paulo (AmSoc).
- ◆ **The Best 2014 Carbon Black Supplier** – São Paulo, Brazil, given by *Paint & Pintura*.
- ◆ **2014 Illinois Governor's Sustainability Award (Honorable Mention)** – Tuscola, USA.
- ◆ **LCA SAFE Award Class 1 Finalist** – Ville Platte, USA, (two years in a row).
- ◆ **Xingtai City Civilization Unit** – Xingtai, China, given by the CPC Xingtai Municipal Committee and Xingtai Municipal Government.



2014/2015

ADVANCING OUR COMMUNITIES

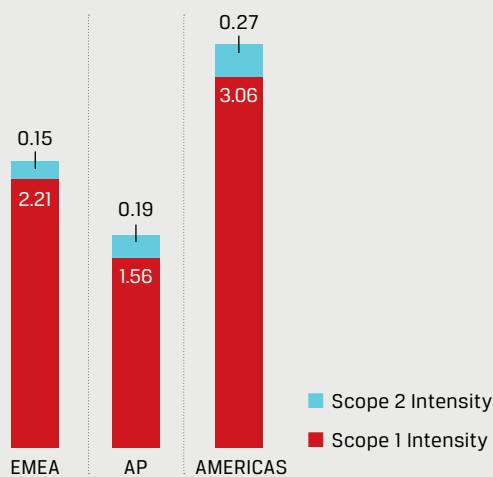


Cabot SH&E Performance Metrics

BY REGION

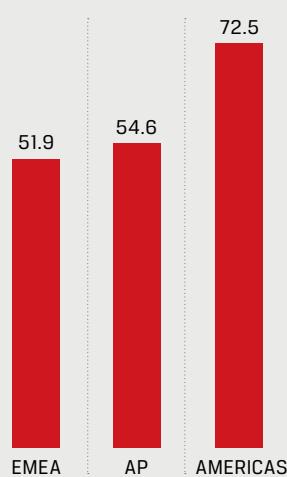
2014 GHG Intensity by Region

(MT of CO₂e / MT of production)

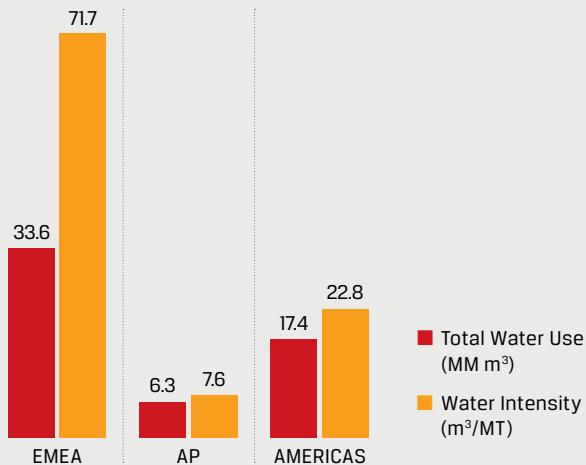


2014 Energy Intensity

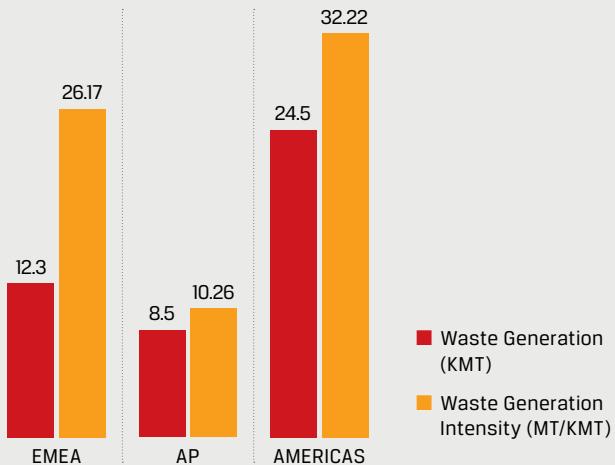
(GJ energy used / MT product)



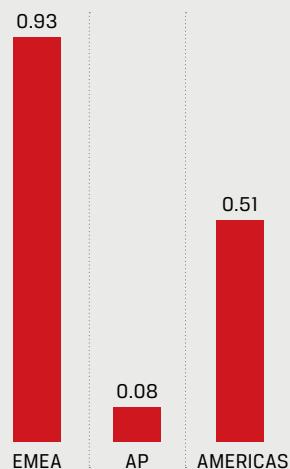
**2014 Water Usage and Intensity
by Region**



**2014 Total Waste Generation and Intensity
by Region**



**2014 Total Recordable Incident Rate
by Region***



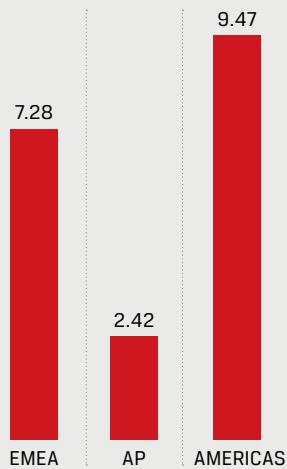
* Includes both employees and contractors.

**2014 Lost Time Incident Rate
by Region***



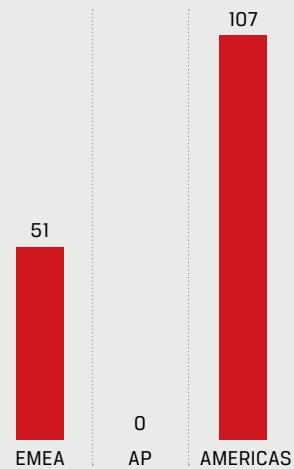
* Includes both employees and contractors.

2014 Severity Rate by Region*



* Includes both employees and contractors.

**2014 Environmental Non-Conformances
by Region**



GRI CONTENT INDEX



Indicator	Description	Level of disclosure - 2014/2015	Page/Reference
1. Strategy and Analysis			
1.1	Statement from the CEO	Full	p. 5
1.2	Description of key impacts, risks and opportunities	Full	<p>Cabot impacts sustainability and stakeholders regularly through its business. In addition to hiring employees from the local regions in which we operate, Cabot also develops innovative products that provide our customers' customers with materials of superior quality, high efficiency and increased longevity of products. For example, tires made with Cabot Elastomer Composites have significantly longer lifespans thereby reducing the constraint on raw materials. These tires also have reduced rolling resistance, which improves the fuel efficiency of the car.</p> <p>In terms of impacts of sustainability trends on long-term prospects and financial performance, Cabot is met with both risks and opportunities. One of the major risks Cabot is confronted with is related to the ongoing production of its primary product, carbon black. This product is produced using a by-product of fossil fuel extraction as one of its key feedstocks and is dependent on the continued development of the fossil fuel sector. Conversely, Cabot recognizes significant business opportunities for its purification system group with an increasing global demand for clean water.</p>
2. Organizational Profile			
2.1	Name of the organization	Full	Cabot Corporation
2.2	Primary brands, products, and/or services	Full	pp. 2, 3
2.3	Operational structure of the organization	Full	p. 12
2.4	Location of organization's headquarters	Full	2 Seaport Lane, Suite 1300, Boston MA 02210 USA
2.5	Countries of operation	Full	See Cabot's Form 10-K filed with the SEC on Nov. 26, 2014, for the fiscal year ending Sept. 30, 2014: Part I, Item 2 for a list of facilities by region.
2.6	Nature of ownership and legal form	Full	Cabot is publicly traded under the symbol CBT on the NYSE.
2.7	Markets served	Full	pp. 2, 3
2.8	Scale of the reporting organization	Full	<p>Total Capitalization: For data on shareholder equity and long-term debt see Cabot's Form 10-K filed with the SEC on Nov. 26, 2014, for the fiscal year ending Sept. 30, 2014: Part II, Item 8</p> <p>Number of Employees: pp. 36, 37</p> <p>Total sales: p. 12; Quantity of products sold: 2,050,000 Metric Tons</p>
2.9	Significant recent changes	Full	p. 12
2.10	Awards received	Full	p. 66
3. Report Parameters			
REPORT PROFILE			
3.1	Reporting period	Full	p. 10
3.2	Date of most recent previous report	Full	p. 10
3.3	Reporting cycle	Full	p. 10
3.4	Contact point	Full	p. 10

Indicator	Description	Level of disclosure - 2014/2015	Page/Reference
3. Report Parameters (continued)			
REPORT SCOPE AND BOUNDARY			
3.5	Process for defining report content	Full	<p>p. 10</p> <p>Cabot defined the report content by following the provisions laid out in the "Reporting Guidance for Defining Content" and the associated principles in the GRI guidelines. With the support of an external specialist, Cabot conducted a thorough assessment of the materiality of all indicators with consideration for internal and external significance as part of the preparation for the previous GRI Report published in 2013. To confirm relevancy, this list of material topics was reviewed again by key Cabot representatives overseeing sustainability at the company, updated accordingly and applied to this report.</p> <p>This report is intended to inform Cabot's primary stakeholders including the communities where we operate, customers, investors, current and prospective employees, retirees and regulators.</p>
3.6	Boundary of the report	Full	<p>This report includes information for Cabot's wholly owned subsidiaries and majority owned and controlled U.S. and Non-U.S. subsidiaries.</p>
3.7	Specific limitations on report scope or boundary	Full	<p>There are no specific limitations.</p>
3.8	Basis for reporting	Full	<p>Reporting on joint ventures, subsidiaries, leased facilities, outsourced operations or other entities is described as part of GRI indicator 3.11 and does not significantly affect comparability of data between years.</p>
3.9	Data measurement techniques and the bases of calculations	Full	<p>p. 10</p> <p>A variety of systems were developed and utilized to ensure consistent and accurate data in this report. These systems include a sustainability reporting database system, safety and environmental incident tracking systems and greenhouse gas emissions data collection systems. All environmental data with the exception of greenhouse gas emissions, are determined via direct measurement or estimated via mass balance calculations. Internal processes and standards were used to evaluate the quality and accuracy of the collected data.</p>
3.10	Explanation of the effect of any restatements of information provided in earlier reports	Full	<p>There were no significant restatements of information provided in previous reports.</p>
3.11	Significant changes from previous reports	Full	<p>There are no changes to the measurement methods or scope from previous reports.</p>
GRI CONTENT INDEX			
3.12	GRI Content Index	Full	<p>This complete GRI Content Index</p>
ASSURANCE			
3.13	Policy and current practice with regard to seeking external assurance for the report	Full	<p>pp. 10, 27</p>
4. Governance, Commitments and Engagement			
GOVERNANCE			
4.1	Governance structure	Full	<p>p. 14</p> <p>The Board of Directors has five standing committees: Audit, Compensation, Executive, Governance and Nominating, and Safety, Health and Environmental Affairs.</p>

Indicator	Description	Level of disclosure - 2014/2015	Page/Reference
4. Governance, Commitments and Engagement (continued)			
GOVERNANCE (continued)			
4.2	Independence of the Chair of Board of Directors	Full	<p>John F. O'Brien is the Company's Non-Executive Chairman of the Board and an independent Director.</p> <p>Although our Corporate Governance Guidelines do not require that our Chairman and Chief Executive Officer positions be separate, our Board believes that this leadership structure is appropriate at this time because it allows our CEO to focus on the strategic and operational aspects of our business, while allowing the Non-Executive Chairman of the Board to provide independent leadership of the Board.</p>
4.3	Independent and/or non-executive members of the Board of Directors	Full	<p>As of June 2015, 11 of Cabot's 12 Board members are independent, and two of the 12 are female.</p>
4.4	Mechanisms to contact Board of Directors	Full	<p>Stockholders or other interested parties may contact the Non-Executive Chairman of the Board for general inquiries or the Chair of the Audit Committee for accounting-specific concerns by calling 1-800-853-7602; by sending an email through our website using the link that is located under the caption "Company – About Cabot – Governance – Contact the Board of Directors"; or by writing to Cabot Corporation Board of Directors, c/o Alertline Anonymous, P.O. Box 3767, 13950 Ballantyne Corporate Place, Suite 300, Charlotte, North Carolina 28277.</p>
4.5	Linkage between compensation and the organization's performance	Full	<p>Approximately 40% of annual Board compensation is paid in the form of Cabot common stock. According to our Corporate Governance Guidelines, it is expected that our non-employee directors have an equity ownership in Cabot of at least 10,000 shares within five years of joining Cabot's Board. For fiscal year 2014, approximately 55%-63% (depending on the executive in question) of the total direct compensation we paid to our executive officers was performance-based and not guaranteed. This performance-based compensation includes annual incentive bonuses, 70% of which are based on the achievement of pre-established corporate financial goals, and equity compensation awards, the value of which depends in part on the degree to which we achieve objectively measurable performance metrics.</p> <p>While these equity grants provide our directors and executive officers a competitive economic value on the date they are granted, their ultimate value (in the case of our executive officers, including when the awards vest) will depend in part on the market value of our common stock. That value will be largely dependent upon our performance, our stock price appreciation and market dynamics. As a specialty chemical company that must comply with or exceed environmental and safety standards to be able to operate and grow, we believe our share price reflects non-financial factors such as our long-term track record around environmental stewardship and safety performance.</p>
4.6	Avoiding conflicts of interest	Full	<p>pp. 14, 15</p> <p>Cabot fosters and sustains a culture where ethical business practices and compliance with applicable laws, regulations and Company policies are the expected and normal course of conduct for Company personnel. One important aspect of this culture is the avoidance of conflicts of interest. The Company maintains specific policies and processes to monitor and prevent conflicts of interest including:</p> <ul style="list-style-type: none"> • a formal Code of Business Ethics • a dedicated Office of Compliance • an alert line and reporting resources • Related Person Transaction Policy and Procedures • Corporate Governance Guidelines • Annual Director and Officer Questionnaire • Annual Executive Officer Conflict of Interest Questionnaire

Indicator	Description	Level of disclosure - 2014/2015	Page/Reference
4. Governance, Commitments and Engagement (continued)			
GOVERNANCE (continued)			
4.7	Determining the qualifications and expertise of the Board of Directors	Full	<p>p. 14</p> <p>The Governance and Nominating Committee identifies candidates for election to the Board of Directors; reviews their skills, qualifications and experience; and recommends nominees for director to the Board for approval.</p> <p>We believe potential directors should possess the highest personal and professional ethics, integrity and values, and be committed to represent the long-term interests of our stock-holders.</p>
4.8	Statement of mission or values, codes of conduct and principles	Full	<p>pp. 12, 13</p> <p>Our Code of Business Ethics, which has been adopted by our Board of Directors, sets forth business principles to serve as a guide for our employees as they conduct business on behalf of Cabot, and covers a range of subjects, including treating one another with mutual respect, engaging in an ethical manner with customers and others with whom we do business, protecting Cabot's assets, complying with all applicable laws and standards related to labor practices and human rights in all of our operating locations and serving as responsible members of our communities.</p>
4.9	Oversight of management of sustainability performance	Full	<p>Our Board has ultimate responsibility for risk oversight and oversees our corporate strategy, business development, capital structure, market exposure and country-specific risks. Cabot management is primarily responsible for day-to-day risk management practices and, together with other personnel, regularly engages in an enterprise-wide risk assessment. This assessment is updated on a continual basis and includes a comprehensive review of a broad range of risks, including financial, operational, business, legal, regulatory, reputational, governance and managerial risks that may potentially affect the Company. From this assessment, the most significant risks in terms of their likelihood and severity are identified, and plans to manage and mitigate these risks are developed. Cabot management regularly reports to either the full Board or the relevant Committee of the Board our major risk exposures, their potential operational or financial impact on Cabot and the steps we take to manage them. Each Committee also has responsibility for risk oversight. In particular, the SH&E Committee assists the Board in fulfilling its oversight responsibility by reviewing the effectiveness of our safety, health and environmental programs and initiatives and overseeing matters related to stewardship and sustainability of our products and manufacturing processes.</p>
4.10	Processes for evaluating the Board's performance	Full	<p>The Corporate Governance Guidelines adopted by the Board of Directors require an annual Board self-assessment. The purpose of the assessment is to evaluate the contribution of the Board as a whole by analyzing the structure of the Board and its Committees and the Board's effectiveness in fulfilling its responsibilities, and to identify areas in which the Board believes a better contribution could be made. Among other things, the Board assesses annually its adherence to the guidelines and policies set forth in the Guidelines.</p>
COMMITMENTS TO EXTERNAL INITIATIVES			
4.11	Precautionary principle	Full	p. 22
4.12	Endorsement of externally developed charters, principles, and other initiatives	Full	<p>pp. 16, 22, 43</p> <p>Cabot endorses Responsible Care through the American Chemistry Council (ACC), participates in climate and energy reporting through the Carbon Disclosure Project (CDP) and subscribes to the UN Global Compact.</p>

Indicator	Description	Level of disclosure - 2014/2015	Page/Reference
4. Governance, Commitments and Engagement (continued)			
COMMITMENTS TO EXTERNAL INITIATIVES (continued)			
4.13	Memberships in associations and/or advocacy organizations	Full	<p>Cabot is an active member of the following national and international industry/advocacy groups and associations:</p> <ul style="list-style-type: none"> • American Chemistry Council (ACC) • Association of Synthetic Amorphous Silica Producers (ASASP) • China Petroleum & Chemical Industry Federation (CPCIF) • The Conference Board • Corporate Environmental Enforcement Council (CEEC) • Environmental Law Institute (ELI) • essencia (Belgium) • European Plastics Converters - Food Contact Regulatory Experts Panel (EuPC FREP) • European Thermoplastic Independent Compounders (ETHIC) • International Carbon Black Association (ICBA) • Manufacturers Alliance for Productivity & Innovation (MAPI) • Organizational Resources Council (ORC) • Society for Chemical Hazard Communication (SCHC) • Society of Chemical Manufacturers and Affiliates (SOCMA) • Nanotechnology Coalition • Society of Toxicology • Synthetic Amorphous Silica and Silicate Industry Association (SASSI) • United Nations Global Compact
STAKEHOLDER ENGAGEMENT			
4.14	Stakeholder groups	Full	p. 11
4.15	Basis for identification and selection of stakeholders	Full	p. 11
4.16	Approaches to stakeholder engagement	Full	pp. 11, 54
4.17	Key topics and concerns of stakeholders	Full	p. 11
5. Performance Indicators			
Economic			
Economic Disclosure on Management Approach		cabotcorp.com/dma	
ECONOMIC PERFORMANCE			
EC1	Economic value generated and distributed	Full	<p>pp. 12, 56</p> <p>For information on taxes paid to governments and operating costs in the reporting year, please see Cabot's Form 10-K filed on Nov. 26, 2014, for the fiscal year ending Sept.30, 2014, Part II, Item 8.</p>
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Full	<p>For an overview of the risks facing Cabot's business, including those related to regulations requiring a reduction of greenhouse gas emissions, refer to Cabot's Form 10-K filed on Nov. 26, 2014, for the fiscal year ending Sept.30, 2014, Part I, Item 1A. For more detailed descriptions of Cabot's business risks and opportunities related to climate change, including relevant management practices and potential financial implications, refer to Cabot's response to the Climate Disclosure Project 2012 Investor Information Request, Risks and Opportunities Module, which is publicly available at www.cdpproject.net.</p>

Indicator	Description	Level of disclosure - 2014/2015	Page/Reference
5. Performance Indicators (continued)			
Economic (continued)			
ECONOMIC PERFORMANCE (continued)			
EC3	Coverage of the organization's defined benefit plan obligations	Full	Cabot provides both defined benefit and defined contribution plans for its employees. For information on Cabot's retirement benefits, please see Cabot's Form 10-K filed on Nov. 26, 2014, for the fiscal year ending Sept. 30, 2014, Part II, Item 8, Note M - Employee Benefit Plans.
EC4	Financial assistance received from government	Full	Cabot does not receive any financial support from governments.
MARKET PRESENCE			
EC5	Range of ratios of standard entry level wage compared to local minimum wage	Full	Cabot's compensation practices follow local market practices. We do not use minimum wage rates to define our compensation programs. We monitor pay medians in the geographies and industries in which we operate as a reference in setting our salaries and structures at each location. Our salary range minimums are above the country minimum wage rates at all levels.
EC6	Policies, practices, and proportion of spending on locally based suppliers	Full	Cabot does not have specific policies or targets for spending on locally based suppliers. All supplier selections and contract awards are strictly based on competitiveness in terms of cost, quality and service.
EC7	Procedures for local hiring and proportion of senior management hired from the local community	Partial	Our goal is for our local workforces to reflect the communities in which we operate. Cabot's procedures do not include specific mandates for local hiring. In 2014, we hired 634 employees globally. Of these employees, more than half were from the country in which they were hired. One of Cabot's many strengths is that there are local management teams in place.
INDIRECT ECONOMIC IMPACTS			
EC8	Infrastructure investments and services provided for public benefit	Full	pp. 57, 59, 60
EC9	Indirect economic impacts	Not Disclosed	
Environmental			
Environmental Disclosure on Management Approach		cabotcorp.com/dma	
MATERIALS			
EN1	Materials used by weight or volume	Not Disclosed	
EN2	Percentage of materials used that are recycled input materials	Not Disclosed	
ENERGY			
EN3	Direct energy consumption by primary energy source	Full	pp. 25, 26 The total direct energy use is 129,500 TJ, of which 125,400 TJ is from raw materials, 4,100 TJ is from natural gas and less than 0.01% is from liquid fuels
EN4	Indirect energy consumption by primary source	Full	pp. 25, 26 The total indirect energy consumed by Cabot in 2014 was approximately 2,640 TJ from electricity. Less than 1% of the total energy consumed across the company was from steam.
EN5	Energy saved due to conservation and efficiency improvements	Full	p. 25 The total energy saved due to conservation and efficiency improvements during FY 2014 was 810 GJ.

Indicator	Description	Level of disclosure - 2014/2015	Page/Reference
5. Performance Indicators (continued)			
Environmental (continued)			
ENERGY (continued)			
EN6	Initiatives to provide energy-efficient products and services	Full	pp. 17, 19
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	Not Disclosed	
WATER			
EN8	Total water withdrawal	Full	pp. 30, 31
EN9	Water sources significantly affected by withdrawal of water	Not Disclosed	
EN10	Percentage and total volume of water recycled and reused	Full	pp. 30, 31
BIODIVERSITY			
EN11	Land in or adjacent to protected areas and areas of high biodiversity value	Full	Considerations for biodiversity are made at the facility level and reflect local environmental assessments of Cabot-owned land. The sites that are situated in or near areas of high concern for biodiversity include: the Barry, Wales, facility located within two kilometers of a designated Site of Special Scientific Interest; the Port Jerome, France, facility adjacent to three areas of high biodiversity value: two sites located 3.7 kilometers and 0.6 kilometers from the facility, are designated as Zones Naturelle d'Intérêt Ecologique Faunistique et Floristique, and one site, located 0.4 kilometers from the facility, is designated as a Zone Importante pour la Conservation des Espèces; finally, the Ravenna, Italy, facility is approximately 150 meters from an area classified as a Natural Reserve Area for the protection of aquatic life and repopulation efforts for specific birds.
EN12	Significant impacts on biodiversity in protected areas and areas of high biodiversity value	Not Disclosed	
EN13	Habitats protected or restored	Not Disclosed	
EN14	Strategies for managing impacts on biodiversity	Not Disclosed	
EN15	Species with habitats in areas affected by operations	Not Disclosed	
EMISSIONS, EFFLUENTS, AND WASTE			
EN16	Total direct and indirect greenhouse gas emissions	Full	p. 27
EN17	Other relevant indirect greenhouse gas emissions	Not Disclosed	

Indicator	Description	Level of disclosure - 2014/2015	Page/Reference
5. Performance Indicators (continued)			
Environmental (continued)			
EMISSIONS, EFFLUENTS, AND WASTE (continued)			
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	Full	pp. 25, 26, 27, 28
EN19	Emissions of ozone-depleting substances	Not Disclosed	
EN20	NO _x , SO _x , and other significant air emissions	Not Disclosed	
EN21	Total water discharge by quality and destination	Partial	pp. 30, 31
EN22	Total weight of waste by type and disposal method	Full	pp. 28, 29
EN23	Total number and volume of significant spills	Full	p. 33
EN24	Hazardous waste transported internationally	Not Disclosed	
EN25	Water bodies and related habitats significantly affected by water discharges	Not Disclosed	
PRODUCTS AND SERVICES			
EN26	Initiatives to mitigate environmental impacts of products and services	Full	pp. 17, 20, 21, 22, 29
EN27	Products and packaging materials that are reclaimed	Partial	In 2014, Cabot reclaimed 14,000 tons of used product to process as re-activated carbon.
COMPLIANCE			
EN28	Significant fines and sanctions for non-compliance with environmental non-compliance	Full	pp. 33, 34

Indicator	Description	Level of disclosure - 2014/2015	Page/Reference
5. Performance Indicators (continued)			
Environmental (continued)			
TRANSPORT			
EN29	Environmental impacts of transporting products and other goods and materials used for the organization's operations and transporting members of the workforce	Partial	Cabot's transportation is confined to raw material shipments from nearby mine sources to one manufacturing plant in the Purification Solutions segment and final product shipments. Bulk shipments (truck and rail) are utilized for final products. Some product is shipped via vessels in bulk bags within sea containers. As noted on page 28, Cabot has undertaken some steps to reduce the impact of its transportation activities through the selection of more efficient means of transport.
OVERALL			
EN30	Environmental protection expenditures	Full	p. 33
Labor Practices and Decent Work			
Labor Practices and Decent Work Disclosure on Management Approach		cabotcorp.com/dma	
EMPLOYMENT			
LA1	Workforce composition (type, employment contract and region)	Partial	pp. 36, 37, 39
LA2	Employee turnover by age group, gender and region	Full	p. 37
LA3	Benefits to full-time employees	Full	p. 50
LABOR/MANAGEMENT RELATIONS			
LA4	Employees covered by collective bargaining agreements	Full	We support the rights of our workers to bargain collectively, and we comply with local laws of the countries in which we operate. Different countries have different labor practices. There are some countries in which 100% of Cabot employees are covered under a collective bargaining agreement.
LA5	Minimum notice periods regarding significant operational changes	Partial	Cabot follows all applicable laws in the countries in which we operate and communicates business, regional, functional and local specific news through regular local meetings and global email which are subsequently posted on our global intranet that can be accessed by all Cabot employees. Additionally, Cabot's global leadership teams cascade communication through the organization in an efficient manner and every effort is made to promptly notify employees of significant changes in the organization.
OCCUPATIONAL HEALTH AND SAFETY			
LA6	Percentage of total workforce included in formal joint management-worker health and safety oversight committees	Full	p. 40

Indicator	Description	Level of disclosure - 2014/2015	Page/Reference
5. Performance Indicators (continued)			
Labor Practices and Decent Work (continued)			
OCCUPATIONAL HEALTH AND SAFETY (continued)			
LA7	Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region	Partial	p. 40
LA8	Risk control programs for employees and others regarding serious diseases	Full	<p>While Cabot's employees are not involved with occupational activities that pose a high risk of contracting serious diseases, programs are in place to assist traveling employees with health risks. Cabot's health and safety program in conjunction with International SOS, a medical and travel security services company, provides online access to location-specific health information including prevention, training and counseling that is helpful to both domestic employees and travelers. This program offers an emergency response via email or phone to assist employees with any health-related questions and to respond to health-related emergencies. The response can include counseling, referral, treatment and evacuation.</p> <p>Through various forms of communication, Cabot regularly shares timely information on health and safety issues that could affect not only its workforce but employees' families as well. Recent discussion topics include cellular device use and safety when operating motor vehicles, risk of excessive exposure to the sun, heat stress and safety at home.</p>
LA9	Health and safety topics covered in formal agreements with trade unions	Partial	Cabot discusses and negotiates insurance benefits and health and safety topics as part of the normal collective bargaining process.
TRAINING AND EDUCATION			
LA10	Average hours of training per year per employee by employee category	Full	p. 49
LA11	Programs for skills management and lifelong learning that support the continued employability and management of career endings	Full	pp. 49, 50
LA12	Performance and career development reviews for employees	Partial	<p>p. 49</p> <p>Managers are required to hold and document performance discussions two times per year. During 2014, leaders reported that they delivered a performance review to approximately 86% of employees. Geographic transfers, temporary leaves, recent hires and job changes within the Company are factors that cause this percentage to be less than 100.</p>
DIVERSITY AND EQUAL OPPORTUNITY			
LA13	Diversity of governance bodies and workforce according to gender, age group and minority group membership	Partial	pp. 39
LA14	Ratio of basic salary of men to women	Full	The ratio of men to women in professional and management positions is 1:1 for Professional and Management positions and 2:1 for Global Leader positions.

Indicator	Description	Level of disclosure - 2014/2015	Page/Reference
5. Performance Indicators (continued)			
Human Rights			
Human Rights Disclosure on Management Approach		cabotcorp.com/dma	
INVESTMENT AND PROCUREMENT PRACTICES			
HR1	Investment agreements with human rights clauses or human rights screening	Not Disclosed	
HR2	Suppliers and contractors screened for human rights	Partial	pp. 15, 16
HR3	Training on human rights policies	Not Disclosed	
NON-DISCRIMINATION			
HR4	Incidents of discrimination and actions taken	Full	p. 39
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING			
HR5	Risk to freedom of association and collective bargaining	Full	No operations are identified that put collective bargaining at risk.
CHILD LABOR			
HR6	Risk of incidents of child labor	Full	Cabot prohibits unlawful child labor and child exploitation and is in full compliance with all applicable laws relating to this subject. We do not support the use of child labor in any of Cabot's processes, nor do we associate with any suppliers where compliance of these laws is in question.
FORCED AND COMPULSORY LABOR			
HR7	Risk for incidents of forced or compulsory labor	Full	Cabot has identified no operations with a significant risk for forced or compulsory labor.
SECURITY PRACTICES			
HR8	Security personnel trained in company human rights policies	Partial	Security personnel fully comply with the Company's training, policies and procedures concerning human rights.
INDIGENOUS RIGHTS			
HR9	Violations involving rights of indigenous people	Full	No incidents of violations of indigenous people arose during the reporting period.
Society			
Society Disclosure on Management Approach		cabotcorp.com/dma	
COMMUNITY			
S01	Programs to assess and manage operational impacts on communities	Full	pp. 11, 22

Indicator	Description	Level of disclosure - 2014/2015	Page/Reference
5. Performance Indicators (continued)			
Society (continued)			
CORRUPTION			
S02	Business units analyzed for corruption risk	Full	Cabot's Board of Directors has appointed key Cabot personnel to serve as members of Cabot's four-person Office of Compliance, which maintains an ongoing dialogue with all business units and regions regarding potential risks, including the risk of corruption. These risk reviews complement the ongoing efforts of the Cabot Law Department to counsel the businesses on potential risks. See the Cabot Code of Business Ethics for more information.
S03	Employees trained in anti-corruption policies and procedures	Full	100% of Cabot's employees are trained in the organization's anti-corruption policies and procedures.
S04	Actions taken in response to incidents of corruption	Full	If incidents are identified of alleged violations of our Code of Business Ethics, which prohibits bribery and other corrupt behavior, an investigation is conducted and appropriate corrective actions are taken, up to and including termination of employment. We are unaware of any significant incidents of corruption during the reporting period.
PUBLIC POLICY			
S05	Public policy positions and participation in lobbying	Partial	Cabot actively participates with a number of industry and trade group organizations. Through those efforts, we engage in the regulatory framework and public policy development. Cabot does not engage directly in lobbying related efforts.
S06	Financial and in-kind contributions for political purposes	Full	Cabot has not made any financial or in-kind contributions for political purposes.
ANTI-COMPETITIVE BEHAVIOR			
S07	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	Full	See Cabot's Form 10-K filed with the SEC on Nov. 26, 2014, for the fiscal year ending Sept.30, 2014, Part I, Item 3 Legal Proceedings and Part II, Item 8, Note S Commitments and Contingencies.
COMPLIANCE			
S08	Significant fines and sanctions for non-compliance with laws and regulations	Full	We are unaware of any significant fines for non-compliance with laws and regulations not covered by EN28 and PR9. Furthermore, the company does not have non-monetary sanctions to report for 2014, nor are we aware of any cases that should be disclosed as events brought through dispute resolution.
Product Responsibility			
Product Responsibility Disclosure on Management Approach		cabotcorp.com/dma	
CUSTOMER HEALTH AND SAFETY			
PRI	Life cycle assessment of products and services for health and safety impacts	Partial	p. 22
PR2	Incidents of non-compliance with health and safety regulations and codes during product life cycle	Full	There were no known or reported related incidents of non-compliance.

Indicator	Description	Level of disclosure - 2014/2015	Page/Reference
5. Performance Indicators (continued)			
Product Responsibility (continued)			
PRODUCT AND SERVICE LABELING			
PR3	Product information and labeling required by company procedures	Full	p. 22
PR4	Incidents of non-compliance with regulations and codes concerning product and service information and labeling	Full	There were no known or reported related incidents of non-compliance.
PR5	Practices related to customer satisfaction	Full	pp. 17, 22
MARKETING COMMUNICATIONS			
PR6	Programs for adherence to marketing standards and codes	Partial	Marketing communications programs and materials are typically reviewed by Cabot legal and regulatory specialists to ensure that they are compliant with local laws and regulations as well as Cabot's Code of Business Ethics. This includes product marketing information on the website, literature, news releases, trade shows, product packaging, etc.
PR7	Incidents of non-compliance with marketing regulations and voluntary codes	Full	There were no known or reported related incidents of non-compliance.
CUSTOMER PRIVACY			
PR8	Complaints of breaches of customer privacy	Full	We have internal controls and policies to prevent the release of customer information. To the best of our knowledge, we have not received any complaints regarding a breach of customer privacy.
COMPLIANCE			
PR9	Fines for non-compliance with regulations for use of products and services	Full	We are unaware of any significant fines for non-compliance with laws and regulations concerning the provision and use of products and services during the reporting period.

For more information about Cabot Corporation,
please visit our website at cabotcorp.com.



