2025

Global Sustainability Report

Colorcon®

Colorcon is a global leader in film coating systems, controlled release technologies, specialty excipients and controlled atmosphere packaging for the healthcare industry. We deliver superior product quality, unparalleled technical expertise, localized customer service, regulatory support and reliable supply around the world.

Colorcon recognizes and honors its responsibility to operate in a fair and reasonable manner, striving to maximize its business while at the same time protecting the interests of its owners, employees, suppliers and customers as well as the communities where we operate. We are committed to ethical business conduct, robust IT security, responsible labor and social practices, environmental sustainability and sustainable procurement.

About This Report

Global Respect is a guiding principle at Colorcon. We recognize that we are citizens of a diverse world and respect the communities in which we operate. This Colorcon Global Sustainability Report summarizes the environmental, social and governance work done in 2024 as well as our current strategy and our goals for the future.

This report represents Colorcon sites in 25 countries and includes the following product lines: dry and wet dispersions; food, drug and confectionery color; PVAP enteric coating; starches and sugar spheres; and controlled atmosphere packaging for the pharmaceutical, nutritional and animal health industries. Colorcon also operates more than 20 Technical Service Laboratories to assist our customers within their local areas.

Colorcon: Represented in 25 Countries

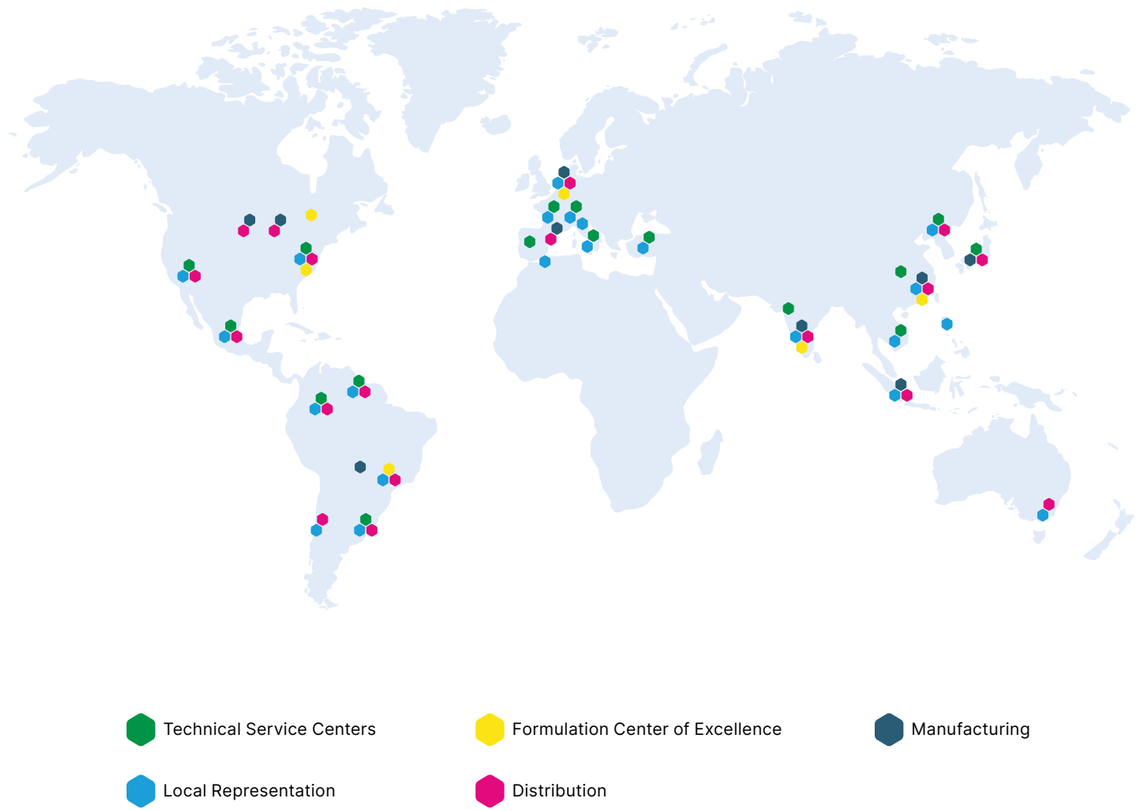


Table of Contents

Message From the CEO	4
Company Mission, Vision, Promise & Values	5
Stakeholder Priorities	7
The United Nations' Sustainable Development Goals	8
Our Planet	9
Product Use and Customer Health and Safety	15
Our People: Social Responsibility	17
Safety of Operations	21
Investing in Our Communities	23
Governance	25
Sustainable Procurement	27
Our Commitment to Keep Getting Better	29

This report includes year-end results for the Colorcon, Inc. Group. Working together with our employees, customers and neighbors, we continue our dedication to people, planet and processes.

Message From the CEO

As we reflect on the past year, I am proud of the progress Colorcon has made in advancing our sustainability goals and our unwavering commitment to ethical business practices, environmental stewardship and social responsibility. This report demonstrates our dedication to operating in a fair and reasonable manner, ensuring that we protect the interests of not only our owners and employees but also our suppliers, customers and the communities where we operate.

Our mission is about delivering innovative solutions that meet our customers' needs around the world. By investing in sustainable practices and being smart about our procurement strategies, we're not just boosting our business performance but also making a positive impact on the environment and society.

In 2024, we continued to build on our environmental, social and governance (ESG) initiatives, striving to make a positive impact on the world around us. We are proud to have received a Silver medal from the EcoVadis rating system, placing us in the top 15% of reporting companies. This achievement reflects our ongoing efforts in carbon management and our determination to improve our scores to achieve Gold status in the future.

We know our journey toward sustainability is a continuous one, and we're committed to getting better all the time. Looking ahead, we're going to keep engaging with our stakeholders, understanding their priorities and aligning our goals with the United Nations' Sustainable Development Goals. We're determined to reduce our carbon footprint, manage energy consumption and track our greenhouse gas emissions, all while seeking third-party validation for our programs by 2026.

Thank you for your continued support and trust in Colorcon.

Simon Tasker, CEO

Mission

To always lead our industry through a commitment to innovation, quality and collaboration, ensuring our customers' products go from concept to commercialization quickly and easily.

Vision

To help the world be healthier through continuous innovation and collaboration.

Promise

Delivering excellence in every product, every process and every interaction.

Values

Platinum Rule

We treat others the way we want to be treated.

Teamwork

We embrace the value of collaboration; we work together to exceed what is possible as individuals.

Empowerment

We trust our colleagues with responsibility and decision-making.

Customer Focus

We put our customers' needs at the heart of everything we do.

Keep Getting Better

We create an environment for constant improvement to be the best we can.

Global Respect

We are citizens of a diverse world and behave with respect for the communities in which we operate.

EcoVadis Sustainability Rating

Colorcon was awarded a Silver medal by the EcoVadis rating system, placing our sustainability program among the top 15% of reporting companies. Our carbon management score is currently classified as "intermediate." We are committed to further improving our scores for the 2025 reporting year, with a goal of achieving Gold status in the future.
In addition, we plan to pursue third-party validation of our sustainability program by 2026.

SILVER | Top 15%
ecovadis
Sustainability Rating
NOV 2024

2024

Total MB Emissions (MTCO2e)
26,763

Scope 1 Emissions (MTCO2e)
4,777

Scope 2 Emissions (MTCO2e)
21,433

Total Electricity (kWh)
63,403,968

Environment
High impact on score
70/100

Labor & Human Rights
High impact on score
70/100

Ethics
Medium impact on score
70/100

Sustainable Procurement
Medium impact on score
50/100

Stakeholder Priorities

Below is a summary of the issues identified as important to our stakeholders obtained through surveys and interviews.

- Governance
- Carbon reduction, energy management, GHG emissions tracking
- Environmental impact (air, water, waste, ecosystems)
- DEI, safe work practices, employee engagement, training
- Product quality and safety
- Sustainable procurement in the supply chain
- Personal strategies to become more sustainable

We compared these top concerns to the United Nations' Sustainable Development Goals (SDGs), a set of 17 global goals adopted by the United Nations in 2015 as part of the 2030 Agenda for Sustainable Development. The goals aim to end poverty, protect the planet and ensure peace and prosperity for all people.

The United Nations' Sustainable Development Goals

The following table details the SDGs that align strongly to Colorcon's stated priorities.

Good Health & Well-being

3.b: Support the research and development of vaccines and medicines for communicable and noncommunicable diseases.

How
Providing support and products for life-saving medications and ensuring our products are safe and of the highest quality.

Quality Education

4.7: Ensure that all learners acquire the knowledge and skills needed to promote sustainable development.

How
Promoting employee engagement and training and leading discussions on personal strategies for sustainability.

Clean Water and Sanitations

6.4: Substantially increase water-use efficiency and ensure sustainable withdrawals and supply of freshwater to address water scarcity.

How
Evaluate environmental impact and lead water treatment projects at our sites.

Decent Work and Economic Growth

8.8: Protect labor rights and promote safe and secure working environments for all workers.

How
Safe work practices and employee training.

Responsible Consumption and Production

12.5: Substantially reduce waste generation through prevention, reduction, recycling and reuse.

How
Evaluate waste impacts and integrate waste programs and sustainable procurement in our supply chain.

Climate Action

13.2.2: Reduce total greenhouse gas emissions per year.

How
Carbon reduction plans, GHG emissions tracking and sustainable procurement.

Life on Land

15.2: Promote sustainable management of all types of forests, halt deforestation, restore degraded forests and increase afforestation and reforestation globally.

How
Understand our ecosystem impact and promote sustainable procurement and tree planting campaigns.

Our Planet

Colorcon is dedicated to supporting quality and sustainability initiatives and minimizing our environmental footprint wherever we are able. Our company prioritizes preventing pollution of air, land and water, and we actively monitor our environmental compliance and performance. We establish annual objectives to continuously develop and improve our systems, with a goal of maintaining zero Notices of Violation from regulatory agencies.

Environmental responsibility is overseen by the Director of Global Engineering and Safety and the Director of Global Sustainability, with Environmental Health and Safety (EHS) support available at every site worldwide. All of our manufacturing locations have at least one dedicated EHS resource.

Colorcon's key environmental challenges include climate change, regulatory compliance and environmental stewardship. As regulations evolve, we focus on managing our operations' impact on climate change and strengthening our compliance programs.

We have developed a robust, dynamic framework to evaluate and mitigate environmental risks while identifying improvement opportunities. Every new process and product undergo a thorough environmental health and safety assessment prior to implementation, including reviews of engineering controls, emergency procedures, regulatory requirements and necessary protective equipment.

All manufacturing sites conduct comprehensive environmental assessments at least once every five years, either internally or with external auditors, to ensure adherence to Colorcon standards.

Regular environmental training is provided to all employees, covering topics such as:

- **Environmental Risks**
- **Emergency Spill Response**
- **Greenhouse Gas Emissions**
- **Chemical Hygiene**
- **Waste Disposal**
- **Ergonomics**
- **Water Use**

Our goal is to consolidate ISO 14001 certifications into a global program with at least 60% of manufacturing sites certified. Regardless of certification status, all sites maintain an environmental management system.

Energy and Greenhouse Gas (GHG) Emissions

We continually identify opportunities to reduce our greenhouse gas emissions by identifying and procuring energy-efficient equipment and partnering with renewable energy providers to purchase renewable electricity. We also utilize on-site solar energy generation where feasible.

Colorcon's climate action goals include achieving a minimum of 90% renewable electricity usage by 2030, establishing energy efficiency targets for new equipment and developing and implementing an energy audit plan by the end of 2025, followed by a comprehensive action plan.

Colorcon is committed to the Science Based Targets initiative, aiming to reduce our greenhouse gas emissions by 50% by 2030. We will complete target validation, including Scope 3 emissions calculations, by June 2026. As we continue to refine our emissions data, we will also set site-specific targets to drive further progress.

All new Colorcon facilities are required to incorporate resource-efficient operations, including energy, HVAC, compressed air, lighting and water systems. Our corporate headquarters, located in Harleysville, Pennsylvania (USA), has achieved LEED Gold certification, while LEED Silver is the minimum standard for all new Colorcon construction projects.

Colorcon reports GHG emissions progress through the Carbon Disclosure Project (CDP www.cdp.net), which evaluates companies across Disclosure, Awareness, Management and Leadership levels. Colorcon has reported through CDP for the past three years.

Since 2021, natural gas consumption has declined by 23%, contributing to a 39% reduction in Scope 1 emissions through upgrades such as new HVAC systems. Overall, Scope 1 and 2 GHG emissions have fallen by 21% compared to 2021, based on data from our manufacturing sites and global headquarters.

We continue to reduce emissions by increasing renewable energy use and improving energy efficiency. Measures such as optimizing airflow and upgrading air conditioning systems have helped lower electricity consumption by 1.6% since 2021, even with four additional sites added.

Our India locations have implemented on-site solar power, providing 30% and 5% of electricity at two sites, respectively. With the purchase of renewable energy credits, Colorcon now sources 24% of its electricity from renewable energy.

Colorcon now utilizes

24% renewable electricity,

reducing Scope 2 emissions 14% vs. 2021 baseline — even while adding eight new sites!

	Environmental Data				2024 % trend vs 2021 baseline
	2021 Baseline	2022	2023	2024	
Total GHG emissions (MTCO2e)	33,685	29,827	29,305	26,763	-20
Scope 1 (MTCO2e)	7,860	6,095	5160	4,777	-39
Scope 2 (MTCO2e) (market based)	24,900	23,048	23,460	21,433	-13
Scope 3 (MTCO2e)	928	684	683	554	-40
Total electricity (kWh)	64,229,550	62,985,229	66,946,802	63,403,968	-1
Percent renewable sources	0	1.6	20	24	24
Municipal water use (L)	286,105,843	244,740,707	197,584,574	175,588,578	-38
Recycled water (L)	0	20,453,304	22,733,491	23,627,874	N/A
Natural gas (m^3)	2,503,509	2,576,147	2,185,893	1,933,328	-22
Hazardous waste (kg)	329,512	334,001	133,213	136,306	-58
Nonhazardous waste (kg)	1,637,346	507,259	2,770,471	1,519,877	-7

Climate Risks

Climate change affects us all, and we're keeping an eye on these risks through our Business Continuity plan to protect employee safety and minimize business disruptions. We recently conducted an initial climate change risk assessment with our global leadership team, evaluating transition risks, physical risks and potential opportunities. Key environmental risks identified included energy availability, extreme weather events, rising raw material costs or supply constraints and sea level rise impacts at coastal sites.

Water Management

Water is an important component in Colorcon products. It is also an important resource for the planet. Colorcon strives to reduce our water usage in our production and cleaning processes, reduce contaminants in our water discharges and determine opportunities to reuse water where possible.

Colorcon commits to tracking our total water consumption to identify opportunities for reducing water usage. This action will also allow us to identify leaks and malfunctioning equipment and prevent excessive water usage. We commit to introducing processes at sites in water-scarce locations that allow water to be reused within our sites, limiting the generation of wastewater. Water audits will be conducted, with a goal to reduce cleaning water usage by 30% by 2027. In India and China, water scarcity risk areas, we are recycling water where possible and documenting the volumes saved.

Water audits will be conducted, with a goal to

reduce cleaning water usage by 30%

by 2027.

Raw Materials and Waste

Colorcon is committed to minimizing raw material use and reducing waste through continuous efficiency improvements, formulation reviews and procedural enhancements. These efforts help limit expired materials, out-of-specification product generation and hazardous waste disposal.

We will further improve waste reduction by enhancing production forecast accuracy, reducing expired materials and increasing operational efficiency. Our focus on "first time right" processes will help prevent out-of-specification products. By the end of 2025, new product development will integrate life cycle into design work for raw materials, processes and chemical use. Where feasible within our regulated industry, we will incorporate recyclable and recycled content into our packaging.

Our goal is to achieve a 20% reduction in waste generation by the end of 2026 through waste audits and action planning. Colorcon tracks total hazardous, non-hazardous and recovered/recycled waste to measure progress.

Biodiversity

Colorcon is committed to protecting biodiversity within our communities. We have evaluated the proximity of our manufacturing sites to sensitive ecological areas and implemented processes to prevent spills, air emissions and other discharges while maintaining robust emergency procedures for prevention and remediation if needed.

By 2026, we will identify and support at least one positive biodiversity project at each manufacturing site, partnering with local communities to help protect sensitive ecosystems and native species. In addition, Colorcon will continue to sponsor local groups organizing environmental cleanups and improvement efforts while encouraging employees to actively participate.

Air Pollution

Colorcon limits our air emissions by ensuring air pollution control equipment is well maintained and functions correctly and efficiently. We aim to reduce or eliminate emissions wherever possible and ensure all discharges are treated through systems designed to filter and remove harmful contaminants.

We comply with all applicable laws, regulations and permit requirements in our operating communities. Routine and preventive maintenance is performed at all sites, meeting or exceeding manufacturer recommendations. Additionally, we conduct site and community surveys to identify and address potential noise or odor issues and have processes in place to respond to community concerns.

In the coming year, we plan to develop a method to quantify the weight of our air and water discharges to better measure and manage our environmental impact.

Product Use and Customer Health and Safety

Customer Health and Safety

We strive to ensure our products are handled responsibly throughout their life cycle. We promote similar environmental standards among our supply chain partners and communicate proper handling requirements through Safety Data Sheets. Our purchasing policies are regularly reviewed to encourage suppliers to adopt sound environmental practices. Protecting the health and safety of our customers — and theirs — is central to our operating philosophy, supported by our rigorous ISO 9001 Quality Management System.

We partner with customers to promote proper product use, including communicating intended applications, risk mitigation and appropriate disposal practices. Our combustible dust booklet helps inform customers of relative product risks, and our Environmental Health and Safety team supports any safety or environmental inquiries received through our Customer Service team.

To ensure all customer support requests are tracked and addressed, we are developing a case management system. This system will document the number of support cases and how they were resolved, with the goal of responding to 100% of incoming requests each year. In the event of a product recall, we maintain a documented timely notification and communication process for affected customers.

100%

of new controlled atmosphere packaging products will be tested for recyclability starting in 2025.

Product Use

While many of Colorcon's products are consumed, our controlled atmosphere packaging line and all shipping-related packaging are not. Colorcon is assessing our use of recycled materials in packaging and setting goals to build recycled content where possible. For pharmaceutical and food contact, there are regulatory requirements for packaging that must be met to protect the product. Currently, there are strict limitations on recycled content with contact to these products. We plan to evaluate the environmental impact scores for our products by 2026.

100% of new controlled atmosphere packaging products will be tested for recyclability starting in 2025.

Product Life Cycle Analysis

The controlled atmosphere packaging division is investigating innovative solutions that have less negative impact on the environment. We will implement a life cycle assessment process in 2025 and improve the traceability of products that are not consumed through an assessment of our products' life cycle by 2026. The target is to make a life cycle assessment for 25% of our products by 2026. Colorcon aims to track the kilos of products that are returned due to rejection or expiration.

Out-of-specification products in the sugar spheres and starch plants are returned to the process line for remanufacturing. Other rejected products that have not left Colorcon's sites can be used for non-customer research projects or assessments. Products that have been delivered to the customer can be returned to Colorcon for disposal or disposed of as waste at the customer facility.

Colorcon commits to communicating and promoting our environmental program and our impact on the environment and community through our regulatory disclosure responsibilities. We have partnered with our suppliers and end users to ensure a communication pathway for all environmental-, health- and safety-related actions, questions and concerns.

Key Performance Indicators (KPIs)	2022	2023	2024
Completed energy audits for manufacturing sites	-	-	1%
Number of notices of violation for environmental permits	0%	0%	0%
Operational facilities certified ISO 14001, EMAS or other environmental management standard	40%	20%	20%*
Employees who received yearly environmental training	100%	100%	100%
Manufacturing sites that performed a general site environmental assessment once every 3 years or each time a new process is added	100%	100%	100%
Manufacturing sites that completed a gap analysis against ISO45001	-	-	5%
Sites that have identified and assessed for any high risk activities.	100%	100%	100%

* percent reduction due to 8 new sites being added, no reduction in number of certified sites.
- not tracking at that time

Our People: Social Responsibility

We cannot recognize our full potential as an organization without harnessing the power of employees. We strive to build a diverse global team so we can realize meaningful business opportunities.

Colorcon is committed to having a safe and inclusive workplace where employees are fairly and equitably compensated. The Employee Value Proposition (EVP) has an overall goal to clearly reinforce and communicate the Colorcon culture and values. The EVP is also a valuable and powerful tool to attract new team members who embrace the Colorcon culture and values. Labor and human rights concerns are the responsibility of the Vice President-Global Human Resources and the Director-Global Engineering and Safety.

Colorcon will assess and develop a strategy for a human rights review process by 2026, with a goal of implementing human rights reviews or impact assessments by the end of 2028 for 100% of manufacturing sites.

Progress will be monitored by tracking the percentage of sites where human rights audits have been completed.

Child and Forced Labor

In the absence of any national or local law specifying a greater age, Colorcon defines "child" for the purposes of this policy as being fewer than 15 years of age when the employment involves non-hazardous duties. When the employment involves duties likely to contain risk to the health or safety of the youth, it is defined as prescribed by the International Labor Organization (ILO) Convention 138 as fewer than 18 years of age.

Discrimination

Colorcon is an equal opportunity employer as a matter of law, ethics and good business practice. It does not discriminate on grounds of race, color, religion, gender, national origin, age, disability, sexual orientation, political affiliation, union membership or any other status protected by law. Colorcon is committed to promoting diversity, equity and inclusion among its employees.

Using internal and external platforms, Colorcon engages employees in yearly training on harassment, discrimination and creating a safe, inclusive working environment. Processes to report issues as well as whistleblower protection are covered in these trainings.

The Berwind Women's Network was created in 2023 to increase opportunities for women through mentoring.

Colorcon's objectives in people initiatives are as follows:

- The percentage of women in leadership will reflect the male-to-female ratio in our organization by 2030 (percentage of women in the organization, percentage of women in management positions, percentage of women in regional and global leadership positions).
- Conduct a Voice of Employee survey once every two years with minimum 80% favorable index score.
- By 2027, all manufacturing sites will develop a plan to assess the sites for disability barriers (percentage of sites that have been audited).

Our current regional leadership teams have a 27:73 female-to-male ratio, which reflects the total employee ratio globally. The Berwind Women's Network was created in 2023 to increase opportunities for women through mentoring, and a Colorcon Women's Network was created in 2023 to promote the understanding of diversity concerns as well as promote opportunities for young women in the community and within Colorcon.

Remuneration and Working Hours

Colorcon retains top talent by providing fair and competitive compensation in full compliance with applicable wage laws, including minimum wage, overtime, time off and mandated benefits as well as local working hour regulations. Flexible working hours and remote work options are offered where appropriate, depending on job roles.

We conduct regular salary reviews to ensure equity and fairness, and all employees receive an annual bonus linked to Colorcon's economic performance. To continuously improve the employee experience, we gather feedback through employee surveys to capture the voice of our colleagues.

Colorcon's objectives regarding compensation (and associated data points) are as follows:

- A minimum of 50% of manufacturing sites will have completed a salary benchmark exercise by the end of 2027. The benchmarking exercise will include the type of labor typically supplied by agencies. The results of the analysis are shared with our main recruitment agencies so they can make informed decisions on their workers' salaries (by tracking the percentage of audits completed).
- Develop a living wage analysis plan for all sites.

Recruitment, Assessment and Career Development

Every employee deserves to understand their performance, identify areas for improvement and achieve their career goals. Through progress reviews, skill development and improvement planning, we support employee growth while ensuring the long-term success and continuity of our business. Job openings are communicated internally via Colorcon's intranet, with a weekly vacancy report shared every Friday through Microsoft Teams, the intranet and a company app. This report includes job descriptions, locations and application instructions.

Our goals are to ensure clear communication, fair assessment and meaningful career development opportunities for all employees.

- All employees are given the chance to hear key messages directly from regional leaders on a quarterly basis. Messages are communicated through monitors, live webinar broadcasts and recordings of the broadcasts.
- All employees use common computers to access communications, regardless of their work area. Although Colorcon is confident that all employees have access to these key messages, an assessment will be conducted by the end of 2025 to ensure that all employees are aware of the available methods to hear these communications.
- All employees will receive at least one performance review per year by the end of 2027 upon full integration of new sites.
- By 2027, 75% of employees will have completed at least one development activity per year.
- The number of training modules completed by each employee is tracked on a yearly basis.
- All job postings will have a paragraph stating that candidates are welcome to request reasonable adjustments for the interview by end of 2025.

Freedom of Association

When employees feel comfortable sharing questions, concerns and feedback, it helps create a vibrant and dynamic workplace. We actively seek employee input to better understand workplace concerns and measure the effectiveness of our efforts to maintain positive working conditions. All sites conduct at least one employee survey every two years to gather insights on employee needs, views and expectations.

Colorcon fully respects workers' rights, in line with local laws, to freely associate, join or not join labor unions, seek representation and participate in workers' councils. We document the percentage of employees covered by formal collective agreements as well as those represented by peer-selected or elected employee representatives.

By the end of 2027, 75% of manufacturing sites will have created a system/channel through which employees can raise issues affecting the local workforce as an additional method of raising awareness of work-related concerns.

Social Metrics	2022	2023	2024
Percent of employees in formal collective agreements	10	10	10
Percent of employees and contract workers covered by living wage benchmark analysis	22	22	22
Percent of employees receiving regular company updates	100	100	100
Average number of training modules per employee	33	73	100
Percent of total workforce receiving regular performance reviews	100	92	87
Percent of women employees	32	34	33
Number of women managers	115	99	123
Number of women directors and above	33	31	27
Percent of women in regional and global leadership	*	27	38
DEI favorable index above 80%	*	82	82
Average unadjusted gender pay gap	5%	3%	3%
Percent of employees who received training in diversity, discrimination and/or harassment	100	92	75

* not tracked

Safety of Operations

The Global Safety and Environmental Council (GSEC) includes representatives from each region where Colorcon operates. The GSEC is responsible for developing organizational strategies, policies and overarching goals. Each region maintains its own local safety council to address local issues and implement global initiatives.

Employee empowerment is central to Colorcon's safety culture. Equipment operators are encouraged to report issues and are authorized to shut down equipment when necessary to protect safety.

Colorcon is committed to providing a safe and healthy workplace free from immediate hazards. Employees have access to clean water and emergency medical care in the event of workplace accidents or incidents.

Colorcon's Global Environmental, Health and Safety (EHS) Programs involve a broad-based, proactive set of processes coupled with metrics for continuous improvement. Ongoing metrics include total case incident rate per one hundred employees (TCIR); Days Away, Restricted Time (DART) per 100 employees; and near-miss-to-incident ratio.

- The global targets for TCIR and DART are <1.80 and <1.0 respectively, and for near-miss-to-Incident ratio, the target is a maximum of 6:1. All metrics are calculated on a monthly, 12-month rolling average and 36-month rolling average.

All sites have prevention programs in place, including fire prevention, emergency action, control of hazardous materials, hazards communication, confined space permitting, personal protective equipment, ergonomics, materials handling, hot works and more.

A global safety team manages active pharmaceutical ingredient (API) approvals for use in the company's research and development (R&D) laboratories. The team defines the necessary safety equipment and facility improvements required for the handling of the API. Procedures are in place for all aspects of API use including handling, inventory control, receiving and disposal. The status of any new API is reviewed by the team and all relevant information is collated in a globally available database.

A combustible dust hazards program has been implemented. Hazards information for all Colorcon product groups were reviewed and the results summarized in a dust safety booklet. This is available for customers via the MyColorcon Customer Portal in the Regulatory & Compliance area. Dust safety is factored into new equipment and manufacturing designs and retrofitted into older facilities and equipment.

All process changes are reviewed by a cross-functional management team that includes quality, engineering, R&D, operations, logistics and EHS professionals to ensure safety and environmental consequences of changes are considered. All capital improvements proposed by Colorcon are reviewed in detail at the design stage and approved by an EHS professional.

Each site carries out a monthly training program with written safety modules in which employees receive essential safety training in their own local language.

All sites undergo a rigorous EHS inspection by Colorcon personnel or by a third party at least once per year, which follows a common inspection format. This ensures that all sites are inspected by a team of auditors (not from the local site) so an outside perspective is given and safety standards and practices are harmonized throughout the organization. Findings are prioritized and corrective action plans are implemented.

Colorcon's property insurance carrier plays an active role in risk management with biannual property risk reviews at every site. Principal findings are prioritized and reviewed for implementation in subsequent capital budgeting plans.

A complete safety characterization is available for all Colorcon products. Colorcon only uses raw materials that have been assessed internally for safety. Complete safety information, including safety data sheets (SDS), is available via the MyColorcon Customer Portal.

As Colorcon has expanded due to acquisitions, the GSEC seeks to integrate the new sites into all EHS programs and systems by the end of 2024.

- A full EHS Digital Dashboard will be created, and each site shall have a formal joint management-worker health and safety committee in place by the end of 2025.
- All manufacturing sites will identify and assess high-risk processes by 2026 and will perform a gap analysis to the ISO45001 standard by 2027.

Safety Metrics	Target	2022	2023	2024
TCIR	1.80	1.41	1.66	1.03
DART	1.00	0.90	1.05	0.61
Near Miss: Incident Ratio	6.0:1	5.9:1	5.4:1	7.1:1

Investing in Our Communities

At Colorcon, care and respect are a part of our culture, and we are proud to highlight how our employees come together to make positive contributions to their communities.

Throughout the year, many of our global sites took part in a variety of collections and drives, including Christmas toy drives, donations for Turkey and Syria, food and hygiene product collections, school bag and supply donations, flood relief funds and a shoe drive for Honduras.

Here are just a few examples of how our teams around the world gave back.

Brazil

During the holiday season, Colorcon employees in Brazil organized a donation drive to gather essential items for Pequeno Cotolengo Cotia, a charitable organization dedicated to supporting individuals with multiple disabilities and those facing social vulnerability.

In April 2024, the Brazilian state of Rio Grande do Sul suffered its worst flooding on record. Triggered by heavy rainfall linked to El Niño and exacerbated by climate change, the disaster impacted 90% of the state and displaced over half a million people. In response, Colorcon employees united in solidarity to organize a donation drive, offering vital support to those affected by this humanitarian crisis.

North America

Several members of our North America team took part in a fun-filled 5K, 10K and 1-mile walk at Norristown Farm Park to support the Norristown Hospitality Center. As proud sponsors of the event, we were thrilled to give back to the community while enjoying a day of fitness and camaraderie.

UK

Colleagues from our European headquarters dedicated a day of volunteer work at Stonewall Housing, a charity committed to supporting LGBTQ+ individuals who are experiencing homelessness or unsafe living conditions. This hands-on experience reinforced our commitment to diversity, equity and inclusion while making a meaningful impact on the lives of some of the most vulnerable members of society.

India

The Mobile Health Care Project brought essential medical services directly to remote communities in Goa, delivering primary care, early detection and timely treatment to those in need. In areas lacking established healthcare infrastructure or reliable transportation, this initiative provided fundamental medical support and raised awareness about preventive health practices. By addressing healthcare disparities, the project significantly improved the well-being of community members, especially those facing limited resources.

China

Colorcon continued its commitment to talent development by offering scholarships at China's two leading pharmaceutical universities, supporting students advancing their education and careers. In addition to financial aid, Colorcon provided internship opportunities for undergraduates, enabling them to gain valuable hands-on experience in the pharmaceutical industry.

Governance

Colorcon cares deeply about having a company that is governed and succeeds in a responsible way.

We are placing a high emphasis on several areas in this category. Colorcon is committed to the highest ethical standards. We train 100% of new employees in our Code of Conduct and perform routine refresher training in anti-bribery, anti-corruption and anti-competition practices. This includes internal and external risk assessment related to ethical business practices. All employees receive anti-harassment training on a regular basis to promote a safe and inclusive workplace.

All employees receive quarterly cybersecurity training as part of our commitment to data security for internal and external stakeholders.

General Risk Tolerance

Colorcon takes a balanced approach to risk, blending innovation with careful decision-making to protect our operations and reputation. Our risk management aligns with strategic objectives, ensuring informed business decisions. We proactively address risks linked to economic shifts, market changes, regulatory demands and technological progress, maintaining flexibility and resilience in a rapidly changing world.

Ethical Risks and Report

Colorcon offers multiple avenues for employees to report ethical concerns both internally and externally. All employees are trained in whistleblower processes and protections. Calls to the whistleblower hotline are promptly investigated.

- Colorcon aims to continue to maintain zero confirmed corruption incidents.

Navex whistleblower information posters in relevant languages are posted at each site. Colorcon tracks the number of whistleblower reports received each year, investigates them promptly and tracks any confirmed corruption cases should they occur. Every employee can find the whistleblower procedure in the Berwind Code of Conduct.

With the assistance and participation of the Berwind Group and a third-party auditor, risk assessments for business practices are routinely conducted to prevent unethical practices such as anti-competition.

- Based on risk assessment, an audit schedule is created with the goal to perform 100% of necessary audits each year. The percentage of all operational sites for which an internal audit/risk assessment has been conducted is tracked. Risk assessments cover such items as financial practices, insurance safety reviews, anti-corruption practices and IT Security practices.
- Although Colorcon is not yet certified to an anti-corruption management system, during 2025, a goal has been set to investigate certification and analyze the process to determine the resources needed. At the same time, our goal is to consolidate the anti-corruption activities into a single document source for ease of tracking compliance with our policy.

Information Security

Colorcon's Executive Leadership team recognizes that effective safeguarding and management of company information and information systems is necessary to reduce threats that could cause loss of business, disruptions to operations or impact to company reputation. Colorcon is committed to fulfilling our responsibility and commitment as digital processors and custodians of customer, employee and other personal data to protect information and systems against abuse and misuse. **Information security is comprised of the following three characteristics:**

Confidentiality

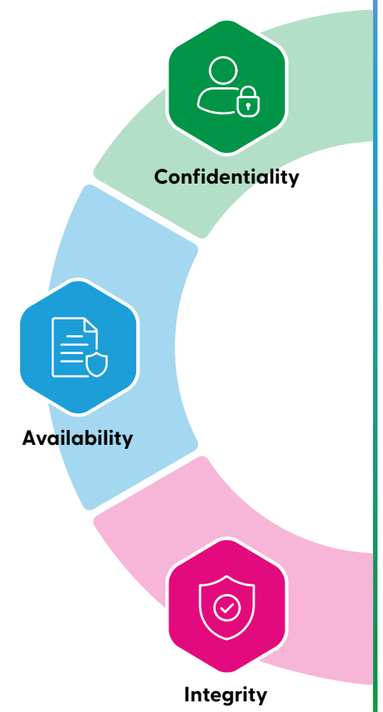
To ensure that information assets and services are only accessed by authorized parties.

Availability

To ensure that information assets and services are consistently available to authorized users whenever needed by implementing comprehensive cyber risk management practices. These include capabilities for identifying, protecting, detecting, responding and recovering.

Integrity

To ensure that information assets can only be modified by authorized parties and only in approved ways.



- Our goal is to maintain more than 81% fully CBT training-compliant company users and to maintain zero confirmed information security incidents.
- All sites will be fully IG1 CIS compliant by January 2026. This certification means that the organization implemented the 56 security measures defined by the CIS to protect data, identify threats and answer incidents.

Key Performance Indicators (KPIs)	2022	2023	2024
Whistleblower reports	4	8	3
Confirmed corruption incidents	0	0	0
Necessary yearly audits performed	100%	100%	100%
Audits performed	6	2	4
CBT training maintained	70%	81%	80%

Sustainable Procurement

Colorcon aims to support our customers' expectations and is committed to sourcing materials and services through a transparent supply chain from companies that operate ethically and responsibly.

Colorcon commits to knowing the origins of all raw materials and to working with suppliers to meet and exceed regulatory requirements for sustainability. Where required, Colorcon will expect suppliers to provide evidence of the chain of custody or traceability throughout the supply chain. The Director of Global Supply Chain is responsible for Colorcon's policies and procedures for sustainable procurement.

Colorcon's Supplier Code of Conduct outlines the expectations of our suppliers in terms of business integrity, labor and human rights and environmental performance.

Colorcon's goal is to have 100% of all suppliers' signatures on the Supplier Code of Conduct (or submit their own equivalent) by 2030.

All suppliers are assessed for risks concerning Corporate Social Responsibility (CSR) topics, such as corruption, global slavery vulnerability, child and forced labor and environmental risk, and are scored for overall risk, leading to audits for high-risk suppliers. All Colorcon buyers are trained in sustainable procurement onboarding requirements. Training records are saved to a digital tracking system.

Selection of Suppliers

All new suppliers are qualified prior to being approved. The assessment process includes a review of financial and operational business performance as well as environmental compliance, labor and human rights and management systems. Every returned response is entered into the CSR assessment process. Colorcon also conducts ongoing supplier audits, the frequency of which is based on a comprehensive risk-based analysis.

- Colorcon commits that all suppliers identified as high risk will undergo a physical audit by 2030. All raw material suppliers for Colorcon units have been assigned a risk classification.
- New and renewed contracts will contain formal clauses on environmental, labor and human rights requirements by 2027 and are under development at this time.
- Colorcon will track the percentage of supplier contracts incorporating the updated clauses until reaching 100% along with monitoring the percentage of suppliers who have signed the sustainability charter or supplier Code of Conduct or provided equivalent proof.
- Each year, existing supplier targets will be updated between 2025-2030 to complete their compliance with Colorcon's Code of Conduct requirements.
- Colorcon is also committed to supporting suppliers in their sustainability journeys and developing an engagement plan to assist suppliers by 2024.

Colorcon has conducted webinars, met with suppliers and begun to develop educational opportunities and will target support to those suppliers whose CSR risk scores are highest.

100% of new suppliers signed Code of Conduct with CSR requirements

100% of new suppliers have had risk assessment

100% of CSR survey responses reviewed and categorized

100% of buyers trained in CSR issues within the last 2 years

Security of Supply

A reliable and continuous supply of materials and services is vital to enable Colorcon's success. Colorcon operates a risk-based Business Continuity Program (BCP), one element of which is dedicated to uninterrupted supply of essential materials. Business continuity means that we have multiple suppliers for most raw materials and can manufacture the same products at different sites. This allows Colorcon to have more control in relation to sustainability.

Product Quality

Maintaining the quality of Colorcon products and the raw materials used in production is essential to the success of the company. All Colorcon manufacturing sites have a detailed Quality Management System, which are IS09001 compliant and utilize modern manufacturing principles such as Lean and appropriate Good Manufacturing Processes.

Our Commitment to Keep Getting Better

Colorcon's commitment and progress in sustainability is clear. Over the next few years, our focus will include the following:

2025

- Complete GHG emissions reduction roadmap and SBTi validation
- Launch life cycle assessment program
- Go for Gold in EcoVadis
- Reduce cleaning water by 30% vs 2021 baseline

2026

Reduce waste by 20% vs 2021 baseline

2030

- Operate using minimum 90% renewable electricity sourcing
- Reduce GHG emissions by 50% vs baseline

Colorcon®

www.colorcon.com/about/sustainability