

Sustainability and Energy Conservation

Frequently Asked Questions

Question 1 What does Colorcon do to minimize energy and water consumption and help reduce carbon emission

- Answer* 1) The Colorcon Global Energy and Resource Conservation Council (ERCC) has representation from all key sites. This group meets regularly to discuss energy and natural resource usage and best practices. Colorcon has run an energy conservation and carbon reduction initiative since 2008 and good results have been forthcoming. In addition, each key location has its own Energy Conservation team that reports to the ERCC.
- 2) Colorcon monitors, records and reviews all the energy used on its sites worldwide and can account for its area of use. Colorcon has installed sophisticated sub metering systems in the UK and Goa locations and some key sub metering is installed in Shanghai and North America. This is an ongoing project.
 - 3) All new engineering projects and key equipment purchasing considers energy consumption during its selection and design process and will look at total operating and lifetime cost of equipment as part of the selection criteria.
 - 4) Energy efficient lighting is used in all new Installations and refurbishment projects (occupancy control, lux detection)
 - 5) Recycling generally and particularly in relation to packaging is encouraged in all sites where practical and where external resources are available.
 - 6) Colorcon works with our third-party logistics suppliers to ensure transportation is used as efficiently as possible.

Question 2 Does Colorcon have programs in place to ensure sustainability in its supply chain?

Answer: Colorcon takes sustainability very seriously. Key suppliers are audited by our Global purchasing and QA departments as part of a global audit program and their approach to sustainability is discussed at that time.

Question 3 How does Colorcon work to promote workplace health and safety and how does it address diversity in the workplace ?

Answer: Colorcon manages safety via its GSEC (Global Safety and Executive Council) The GSEC consists of global executive and senior regional EHS colleagues and holds monthly global meetings. Colorcon uses a global Oracle based software to document and track all EHS incidents and processes that occur at any site through to resolution. Colorcon uses key OSHA metrics (DART and TCIR) to monitor and benchmark our performance. This allows us to monitor trends and identify opportunities and target training and share best practices. All findings are reviewed and any incident if required will be investigated using causal tree methods.

Colorcon is an equal opportunities employer.

Question 4 Is Colorcon certified for OHSAS18001 and/or ISO14001?

Answer: Colorcon operates multiple global sites. Some sites have accreditation. Please contact us if you require specific information about a site. Information available on the website <http://www.colorcon.com/regulatory-compliance/documents> site information

Question 5 What are the most important resource and sustainability issues for Colorcon?

Answer: For Colorcon, electricity is by far the most significant energy resource used. Therefore, Colorcon monitors all utility supplies but particularly electrical energy usage in our facilities and strives to reduce costs and usage in all regions. This is important as it can help us find process efficiencies, and is required under our accreditations. Colorcon strive to be a good partner in all our communities.

Question 7 Please name some examples where Colorcon has taken measures to reduce Carbon emission

Answer: Colorcon reviews data from specialist auditing consultant companies and our internal monitoring systems and prioritizes the results:

Firstly, opportunities that are classed as quick fix with low investment are tackled immediately; an example of this classification would be where time clocks are found to not have the optimum set points.

Secondly, we have initiatives that give a quick return for medium investment or low cost initiatives that gave longer return on investment. These are normally actioned within 24 months of identification and include projects such as energy efficient warehouse lighting. If regionally available, we utilize units that sense available daylight as well as movement of people. Other projects in this category would be Voltage stabilization and correction for example.

Finally, there are projects that require major investment. This is valuable data as even if concepts are not implemented immediately, Colorcon can ensure that correct selection of equipment and systems is made during refurbishment projects or equipment replacement due to end of lifecycle. Examples are where Colorcon have installed energy efficient lighting for all office refits since 2008.

Colorcon now utilizes appropriately filtered recirculated air in new process plants where possible.

Energy efficiency is used as a decision driver when selecting new equipment.

Colorcon's Global Headquarters in Harleysville, Pennsylvania is a LEED Gold certified building.

Question 8 Does Colorcon use third parties to assist in finding opportunities for savings in energy consumption?

Answer: Colorcon uses third parties, as required, to carry out energy surveys. These have been completed at our key locations and opportunities for savings identified. The majority of these where applicable, have been implemented. Other third-party consultants or companies are used as required. For example, Colorcon UK have a comprehensive sub metering system and the results are reviewed by a third party company that makes recommendations for energy saving.

Question 9 What payback criteria does Colorcon apply to projects where investment is required?

Answer: Colorcon looks very favorably on any project that shows a payback in 3 years or less. Projects that have a longer-term return on investment are reviewed carefully before being progressed. In the case of lighting for example where payback can be much longer, Colorcon's approach would be to replace fittings as required through routine maintenance or refit with the correct energy efficient fitting. As this policy has been in place since 2008, the majority of lights in offices and warehouses are now energy efficient.

Question 10 What energy efficiency and carbon reduction opportunities does Colorcon see within the broader supply chain? What is Colorcon's strategy to address these?

Answer: Colorcon reviews suppliers carefully and environmental awareness is one of the criteria on which they are judged and our selection process and audit process includes questions that relate to energy conservation.

Question 11 How does Colorcon work with other organizations, whether through commercial or non-commercial relationships, to address energy efficiency or carbon reduction within the company as well as the wider supply chain?

Answer: Colorcon has worked with various external companies, working with the EIC and the Carbon trust in UK and third party auditing companies around the world as well as other companies through regional forums. Colorcon is open and willing to contribute to customer and supplier energy and sustainability discussion groups.

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