

Global Sustainability Report



2024

About This Report

Global Respect is a guiding principle at Colorcon. We are citizens of a diverse world and respect the communities in which we operate. This Colorcon People and Planet Report, summarizes the environmental, social and governance work done in 2023, our current strategy, and our goals for the future. This year, we have incorporated our new Functional Packaging division, which has five manufacturing sites.

Colorcon is a global leader in film coating systems, specialty excipients, and functional packaging for the healthcare industry. We deliver superior product quality, unparalleled technical support, extensive regulatory assistance, and reliable supply from multiple locations.

From concept to commercialization, our innovative solutions shorten time to market and support our customers in the design, development, and production of highly effective solutions.

We continue to invest in solutions that meet the needs of our customers worldwide.



Table of Contents

Message From the CEO

1

Company Mission, Vision,
Promise & Values

2

Our Planet

3

Stakeholder Priorities

5

Improving Our Planet

7

Our People

9

Investing in
Our Communities

11

Governance

13

Our Commitment to
Keep Getting Better

15



Message From the CEO

I am continually inspired by the dedication and innovation that permeate every layer of our organization. We have made tremendous strides as a company.

One of our big events was the integration of our new Functional Packaging division, underscoring our commitment to sustainability and unity across our global operations. We have started our journey to a net-zero future, a commitment that is not only good for our planet but also essential for our business. And we've made progress in harnessing renewable energy and expanding our solar initiatives, demonstrating our dedication to an environmentally responsible corporate footprint.

However, sustainability at Colorcon isn't just about environmental stewardship; it's about people—our employees, communities, and customers. In 2023, we enriched our approach to People & Planet, creating a more vibrant and inclusive workplace. Not only is this effort the right thing to do but it also strengthens our collective commitment and attracts top talent who share our values.

We have also deepened our engagement with our suppliers on People & Planet standards, holding ourselves and our partners to the highest ethical benchmarks. This includes not only audits but also educational workshops that foster a shared understanding and commitment to these critical issues.

Looking ahead, we remain focused on enhancing our operational efficiencies and leveraging our accomplishments to drive growth. Our actions today are not just about responding to immediate challenges but about paving the way for a sustainable, prosperous future for Colorcon and all our stakeholders.

I am proud of our progress and excited about what lies ahead.

A handwritten signature in black ink, appearing to read 'Simon Tasker'.

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.

2023

Total MB Emissions
(MTCO₂e)

31,022

Scope 1 Emissions
(MTCO₂e)

5,602

Scope 2 Emissions
(MTCO₂e)

24,725

Scope 3 Emissions
(MTCO₂e)

694

Total Electricity (kWh)

70,900,380

Our Planet: Environment

When it comes to the environment, Colorcon has made tremendous progress throughout 2023. The EcoVadis rating system awarded Colorcon a bronze medal, indicating that we are making good progress toward our sustainability goals. Our carbon management score improved to “intermediate.” We continue to collect data and develop key performance indicators (KPIs) so we can set specific targets and measure progress.

The Functional Packaging Romorantin (France) and Belen (US) sites received Silver and Bronze medals, respectively, through EcoVadis.



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.

Carbon Disclosure Project (CDP)

CDP provides another way to report progress on reducing our greenhouse gas (GHG) emissions. CDP assesses a company across four consecutive levels: Disclosure, Awareness, Management, and Leadership. Colorcon has reported progress for the last two years.



Operating Standards

Our goal is to ensure a healthy and safe workplace for employees and visitors. As part of our quality commitment, we aim to meet ISO standards. ISO45001 is an international standard used for designing and implementing an environmental management system focusing on occupational health and safety. ISO14001 certification displays our commitment to reducing our environmental impacts.

Colorcon has a Global Environmental Health and Safety team in place that provides leadership and support to ensure we maintain a safe workplace and reduce our environmental impact.



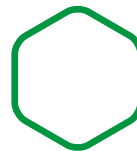
Stakeholder Priorities & The United Nations' Sustainable Development Goals

Below is a summary of the issues identified as important to our stakeholders.

- 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 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 non-communicable 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, ensure sustainable withdrawals and supply of freshwater to address water scarcity...

How

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

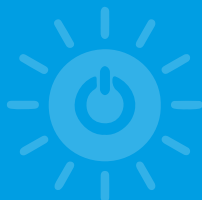


Decent Work and Economic Growth

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.



Improving Our Planet

At Colorcon, we are taking a number of steps to ensure that our company's operations are having a real, positive impact on the globe.

Climate Risks

Climate change affects us all, and we're keeping an eye on these risks through our business continuity plan. This ensures our employees stay safe and business impacts are minimal.

Carbon Emissions

Greenhouse Gas (GHG) Emissions: We report emissions from our manufacturing sites and Global Headquarters, focusing on understanding and reducing them. For a decade, we've tracked electricity and natural gas usage across our sites. In 2023, we added Functional Packaging's sites to our tracking, using FigBytes software to manage and display our emissions data. Continued reductions in Scope 1 & 2 emissions compensated for the addition of multiple manufacturing sites in 2023.



Scope 3 Emissions: Our Functional Packaging team analyzed their emissions for 2023, focusing on reducing emissions from transportation by using greener transport methods like trains and biofuel boats. This change cut their CO2e emissions significantly.

In 2023, three sites in US Operations switched to 100% renewable electricity, greatly reducing their CO2 emissions.

Energy Efficiencies

We're reducing greenhouse gas emissions by using renewable energy and improving our energy efficiency. Other sites have implemented energy-saving measures like managing airflow and updating air conditioning systems, which has saved significant amounts of energy.

Fuel and Natural Gas Use

Our site in Kent, UK replaced boilers with heat pumps, cutting down on natural gas use and saving CO2e emissions. In Goa, India, solar panels now power emergency generators, reducing diesel use.

Sustainable Procurement

In 2023, we updated our Supplier Code of Conduct to emphasize sustainability. Our audits now check if suppliers are improving their People & Planet efforts.

Water

Our sites are working on using water more efficiently. For instance, in France we were able to halve water use and install a biodigester which significantly improved wastewater quality. In India, rainwater is collected and used efficiently, helping to conserve water.

Waste

We manage waste by sorting and recycling, which helps reduce our environmental footprint. Our site in Romorantin, for example, improved waste sorting, which led to less waste going to landfills.

Pollution and Biodiversity

In 2023, we completed our first biodiversity assessment to identify any sensitive ecosystems near our sites. We regularly monitor environmental risks and train our employees to handle and prevent potential environmental impacts effectively.



Our People: Social Responsibility

At Colorcon, our people make serving our customers possible. It's essential that we foster a workplace that contributes to the lives and well-being of our employees while also encouraging them to give back to their communities.

Human Capital and Rights, Labor Regulations

Human capital encompasses the skills, knowledge, and experience possessed by an individual or population that are crucial to the success of organizations like Colorcon.

We focus on enhancing our human capital through strategic workforce planning, robust recruitment processes, comprehensive employee training, and development programs. Our human capital strategy includes measuring return on investment (ROI) by analyzing improvements in company profits relative to our investments in employee education and skills development.

Human rights at Colorcon ensure that every employee is treated with respect and dignity, which aligns with our commitment to social justice and equality. We adhere to all applicable labor regulations, ensuring that our practices not just meet but exceed the required legal standards.

Safety

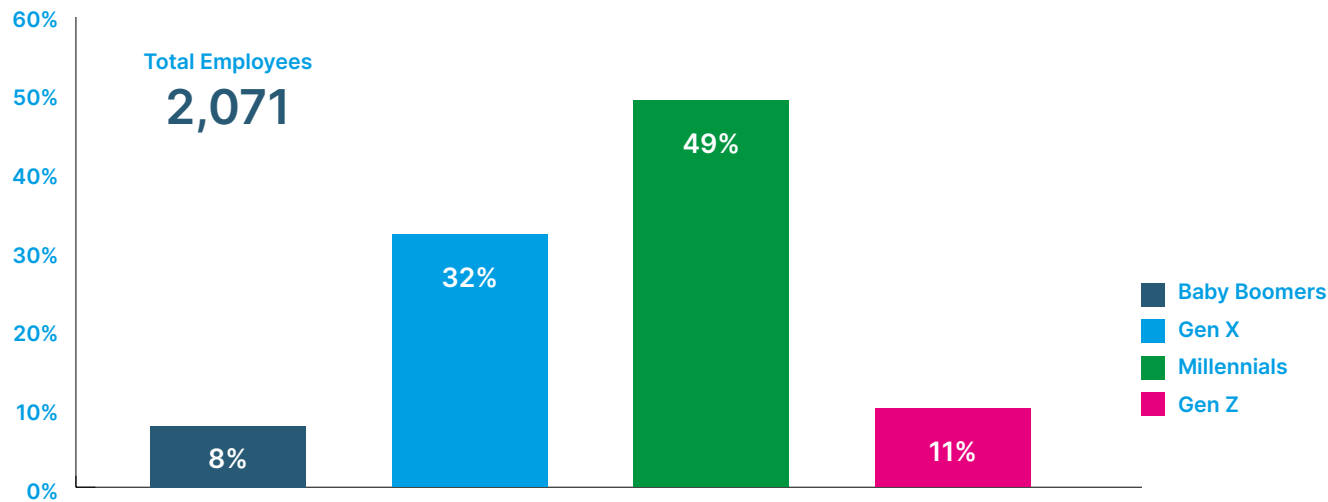
Colorcon's top priority is the health and safety of our employees. We track important metrics including Total Case Incident Rate (TCIR), Days Away—Restricted or Transferred (DART), and Near Misses. TCIR measures work-related incidents per 100 employees, and DART measures the severity of incidents that do occur. Near Misses are classified as unplanned events that could have ended in injury or damage. Metrics are collated by site then collated globally and compared to the annual target.

Safety Incidence Metric	Total Case Incident Rate	Days Away—Restricted or Transferred	Near Misses
Global Target	1.80	1.00	6.0 NM/Injury
Year-End Total 2023	1.79	1.17	5.9

People Initiatives

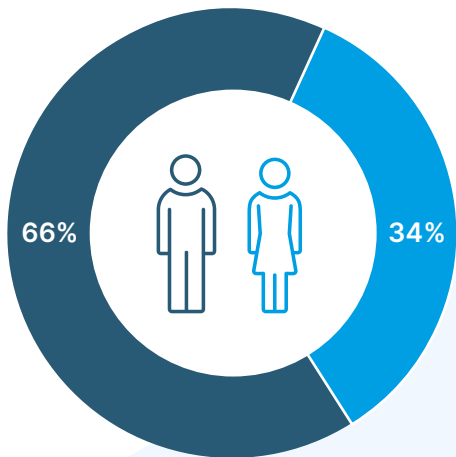
Our employee initiatives are dynamic and continue to evolve to better meet the needs of our diverse workforce.

Generations



One area of focus has been increasing female representation in leadership positions within our EMEA (Europe, Middle East, and Africa) and SA (South America) regions. While we have recognized the need for improvement through internal surveys, we also celebrate our successes, such as achieving a balanced leadership team in our NALAN (North America and Latin America North) regions, where the gender ratio is approximately 50/50.

Our social programs are designed not only to promote diversity within the company but also to create an inclusive culture where every employee feels valued and empowered. We are committed to performing ongoing assessments to better understand our strengths and opportunities and to implementing effective programs and initiatives that support our social goals.



Investing in Our Communities

Care and respect are a way of life at Colorcon, and we are proud to share examples of our Colorcon employees coming together to make a positive contribution to their communities.

Throughout the year, many of our sites all over the world participated in various kinds of collections and drives. These projects included Christmas toy drives; donations for Turkey & Syria; collections for food and hygiene products and school bags and supplies; flood relief funds; and a shoe drive for Honduras. Here are a few examples of how our teams around the world gave back.

France

The Romorantin team competed in multiple intercompany challenges in 2023, including “Romo D’Boîtes” and “Château de Chambord.” These challenges not only brought about team bonding within the sites but also allowed them to make connections with individuals from other companies. One of the teams also won the Cup at the Romo D’Boîtes challenge!

India

The Cuddalore team organized a Nutritional Food program for school children and elder people to help provide their communities with the knowledge and food to help them live healthy lives. They also helped fund newly constructed classrooms for a school in their community and sponsored an ECG machine to the Primary Health Center.

The Arogya Express Mobile Health Care Project in Sanguem involved reaching out to communities in remote areas and providing them with primary healthcare facilities, early detection of diseases, and timely treatments. In areas that lacked medical facilities and transportation, a basic healthcare facility was provided.

Additionally, there were eye camp/awareness sessions, and the Goa site continues to work to set up storage tanks for clean drinking water in remote villages every year.



United States

The sites in Pennsylvania participated in a Watershed Stream Cleanup for their local community. Also, employees helped make sleeping mats for the homeless.

Brazil

The employees came together to make chocolate kits to donate to Pequeno Cotelengo, a charity that takes in abandoned children and adults with multiple disabilities.

United Kingdom

The Dartford site held a cleanup at a Kent Beach for Colorcon employees.



Governance

Colorcon cares deeply about having a company that is governed and run in a responsible way. To that end, we are placing a high emphasis on several areas in this category.

Social Ethics

Our total 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.

Business Ethics

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. We maintain a whistleblower hotline that is managed by a third-party platform to ensure objective investigation.

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



Compensation Policies

Colorcon's compensation policies are crafted to be fair and competitive, aligning with industry benchmarks, to attract and retain skilled professionals. We regularly reassess and adjust these policies through market analysis and internal evaluations, ensuring equitable rewards for employees based on their roles, performance, and contributions to our success. This strategy supports our commitment to equity and inclusion, ensuring all team members feel valued.

General Risk Tolerance

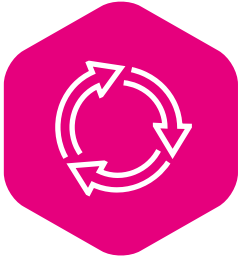
Colorcon takes a balanced approach to risk, blending innovation with careful decision-making to protect our operations and reputation. Our risk management aligns with strategic objectives, ensuring informed business decisions. We proactively address risks linked to economic shifts, market changes, regulatory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



Our Commitment to Keep Getting Better

As well as assessing our own sustainability goals, we need to understand how we can help our customers work toward their targets. We are meeting with strategic customers to gain an understanding of their goals and identify ways that we can help.

We also commit to the following initiatives:



2024:

- Complete GHG Scope 3 data collection
- Create road map to net zero
- Continue to mature Sustainability program and gain EcoVadis Silver level certification



2025:

Reduce cleaning water by 30% vs. 2021 usage



2026:

Reduce waste by 20% vs. 2021 usage



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