



# Corporate **Sustainability**

REPORT 2008



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# Introduction



The essence of life on Earth is sustainability. Living systems – whether cells, organisms, ecosystems or the entire biosphere – are all able to sustain health, coherency and stability over long periods of time.

For example, some rainforest trees can sustain themselves for a thousand years without depleting or destroying their environment. So too can the entire rainforest sustain itself for many millions of years without depleting or destroying other ecosystems. Indeed, the entire biosphere has sustained itself for almost 4 billion years. Sustainability is not simply a 21st century buzzword, but is an ancient attribute of life.

In order for a tree or a rainforest to sustain itself, there must be an art (system) of sustainability. In the long run, a living system cannot behave randomly. If a tree species is to sustain itself over many generations, its impact upon its environment cannot be a detrimental one, for what is detrimental to the whole will eventually be detrimental to the part. To be sustained, a living system like a tree has to fit within the larger context of the forest. The better the contextual fit, the better the chances of long term survival. Evolution is the process whereby strategies in the art of sustainability are tried, tested and filtered. This explains why the natural world is replete with highly refined examples of symbiosis, co-operation,

recycling and efficient energy use. All these behaviors have evolved because they serve to enhance sustainability.

The exciting but daunting challenge ahead is to extend this ancient art of sustainability into the world of human culture and for us, into our business practices. After all, industry is a part of human culture and human culture is a part of the biosphere. If the biosphere functions according to the rules of sustainability and has done so for all its existence, we cannot afford to ignore those rules for ever. Either we play by the rules or we are eventually removed from the game.

*The exciting but daunting challenge ahead is to extend this ancient art of sustainability into the world of human culture and for us, into our business practices.*



Either we fit ourselves into the larger context or we eventually get pruned by Nature's hand.

It is thus clear that we in the biotech and life science industries need to take deeper stock of the larger context in which we operate and that we might adversely perturb. By raising our awareness and by becoming more 'contextually sensitive', the principles of sustainability found in biological and ecological systems can gradually be mirrored in our business practices. Once we achieve this, once the principles of sustainability are instilled throughout human culture, our burgeoning presence on the planet will be transformed from a stressful biospherical anomaly into a healthy extension of life.

Given the need to continually learn from life, perhaps it would be more apt at this point to see ourselves not as stewards of the biosphere as many ecologists have written

but as potential apprentices of the biosphere. As an enterprise, we already profit from learning and then applying various methodologies of life. So it is but one conceptual step to examine the biosphere for more knowledge – in this case knowledge pertaining to coherency and sustainability. For that too can and must be a profitable and rewarding enterprise. As recent studies have shown, biospherical wealth and human wealth are inextricably linked.

In conclusion, sustainability is not simply a way to conduct business; it is the only long-term way to conduct business within a finite and interconnected biosphere. The chief lesson of natural history is that life has learned the art of sustainability and that this art has stood the test of time. It is an art, moreover, that can be learned, adapted and put into conscious practice by us.

I wish to thank Kris Yetter, Patrice Pasquier, Jürg Gysi, Steve Smith and Corey Meek for taking the leadership for Promega globally and keeping all of us mindful of the actions each of us can practice daily to move toward a more harmonious relationship with the planet.



William A. Linton,  
Chairman and CEO

[GRI 1.1]<sup>1</sup>

<sup>1</sup> Global Reporting Initiative



*By raising our awareness and by becoming more 'contextually sensitive', the principles of sustainability found in biological and ecological systems can gradually be mirrored in our business practices.*

## Overview of Key Impacts and Future Commitments

In our changing world, we have become increasingly aware that some things are best left unchanged. The global interest for sustainable practice is shaping new expectations in business. Promega Corporation has historically taken a balanced approach in maintaining a high quality in our products, our purpose and our people. We understand that sustainability is a way of doing business that will provide value to society which drives our long term success. We treat it as we treat our core values and key corporate benchmarks: we will set annual sustainability targets for our operations and measure our progress against those targets. Then, using the framework set forth by the Global Reporting Initiative (GRI), we will report our progress in a transparent manner.

As with everything we do at Promega Corporation, our ongoing sustainability efforts are guided by five cultural priorities that describe the way we do business:

- **Science Rules.** Our customers use our products and services to do their work. Science is their work and science contributes to the advancement and welfare of humanity. We listen to our customers so we can continue to play a part in advancing science.
- **People are Essential.** Our people determine the quality of our products and services. Investing in them is an investment in the future.
- **Stay Cutting Edge.** Our world is constantly changing, evolving and advancing. We need to do the same. While protecting the environment for the future we have to stay focused on the latest technologies, scientific trends, and customer needs in order to stay competitive and strong in the marketplace.
- **Keep Things Simple.** Simple processes are efficient. We need to stay efficient and flexible to remain

effective. Organizational simplicity allows us to be agile and react quickly to seize opportunity.

- **Making Money Makes it Possible.** Our revenues and profit allow us to invest and build our business. Investing in and building our business allows us to contribute to the advancement of science and the economic well-being of our employees and the community. Our employees and our science help make the world a better place.

These are the crucial elements of the Promega innovation-driven culture, the qualities that will enable us to pursue a sustainable balance. Doing so is not a one-time exercise. It is an ongoing process that continually requires us to reassess and improve both our practices and our performance. This initial report provides insight into our commitment to being a responsible corporate citizen and our actions in becoming a more sustainable company. With diligence for constant improvement in sustainable practice, we will contribute to a better life for future generations.

*We understand that sustainability is a way of doing business that will provide value to society which drives our long term success.*

## Overview of Key Impacts and Future Commitments

Whether it involves reducing our emissions, consuming fewer resources, or designing our products and practices with the environment in mind, we seek to analyze all aspects of our business for opportunities to limit our negative impacts on the environment. From the information gathered regarding our carbon footprint, about 80% is derived from our energy consumption in electricity and natural gas. The majority of the remaining emissions are linked to transportation with air travel. Our water consumption is another area of focus for future improvement due to environmental impacts and necessity for a healthy lifestyle. Due to recent technological advancements and reliance on electronic documents we have recognized paper usage as a substantial opportunity to reduce unnecessary consumption. In late 2008, we made the decision to discontinue the bi-annual printing of our catalog.

Based off our initial analysis of our key impacts and areas of opportunity we have set goals for our performance to be reached by the end of 2012. These improvements are indexed to net sales to account for growth and based off 2008 levels:

*Promega is committed to sustainability because we feel it is necessary to our future success, advancement of society and protection of the environment, and ultimately it is the right thing to do.*

- Reduce energy consumption by 10%
- Reduce greenhouse gas emissions by 10%
- Reduce water usage by 10%
- Reduce paper usage by 50%

Our first sustainability report highlights our commitment to sustainability and will outline some of the goals and improvements that we are striving to achieve. We recognize that this is a process of continuous improvement where we are focused on long term success and improvement over short term gain. In embarking on this journey we have realized that we do not capture all the data necessary for complete and comprehensive reporting. Ensuring accurate and comprehensive record keeping of



sustainability indicators is a major initiative that will improve the materiality of our reporting in the future. Promega is committed to sustainability because we feel it is necessary to our future success, advancement of society, protection of the environment, and ultimately it is the right thing to do. [GRI 1.2]<sup>1</sup>



# Company**Overview**



Promega Corporation, a privately held company, is headquartered in Madison, WI, USA. Our global reach includes branch offices in 13 countries and manufacturing facilities in San Luis Obispo, California, USA; Shanghai, China; and Seoul, South Korea. From 2006 to 2007, company revenues grew by more than 10% to 220 million dollars (US) with approximately 12% reinvested in research and development. We have also established the first biotechnology joint venture in China (Sino-American Biotechnology Co. in 1985). We have 978 employees world-wide, of which 46% are women. [GRI 2.1, 2.4-2.6, LA 1]<sup>1</sup>

Promega Corporation is currently governed by a Board of Directors, the Corporate Leadership Team and the Branch Managers globally as structured below.

This team is responsible for setting strategy and organizational oversight and includes 26 individuals of which 26% are women. Compensation is tied to individual and overall corporate performance. [GR1 4.1-4.3, 4.5]<sup>1</sup>

### PROMEGA CORPORATE MISSION STATEMENT

Our mission is to enhance our leadership in life sciences reagents and integrated solutions worldwide through innovative and quality products, services and information

### OUR VALUES

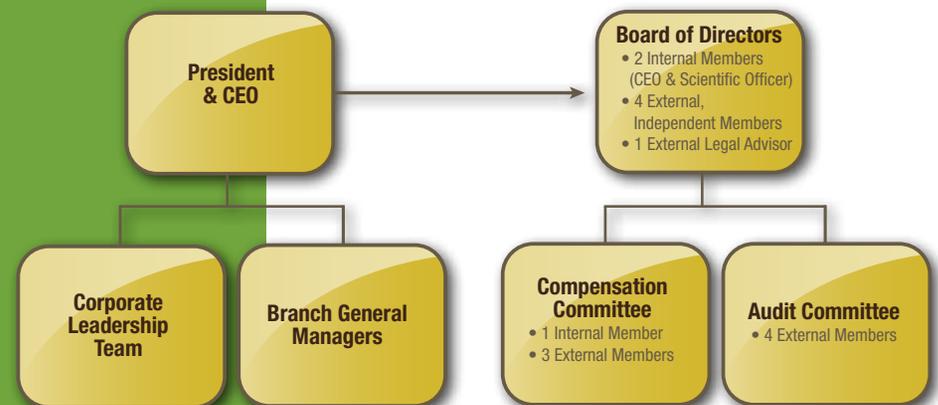
In carrying out our mission statement, we want to preserve and pursue these core values:

- Honesty, integrity and respect for all employees, customers and suppliers.

- Open access to information for all employees.
- Balance between work and life activities.
- Recognition and reward of achievement through creativity, risk taking, process improvements, and innovation.
- Adaptability and flexibility in the workplace.
- Contribution to the advancement of science and to the improvement of life in the world community.

Promega is an equal opportunity employer. We follow a global code of conduct which people are reminded of annually. It is also available on the corporate internet site. [GRI 4.8]<sup>1</sup>

*Our mission is to enhance our leadership in life sciences reagents and integrated solutions worldwide through innovative and quality products, services and information.*



**PROMEGA CORPORATION IS BUILT ON A VISION WHERE**

- Innovative research tools accelerate scientific discovery
- Life science research can lead to the cure and prevention of many diseases
- The work environment supports creativity and the corporation appreciates the contributions of each employee

**CREATIVE APPROACH**

Scientists must maintain imagination in their work if they are to discover what is unknown. In response to the needs of such individualists, we hold a long and creative tradition of doing what's best vs. what's expected. That independent spirit led to a number of firsts that continue for Promega in each of its multiple roles as a business, a member of the community and an employer.

• **In Business:** Promega is one of the largest privately-held life science companies in the world. In an environment where acquisition is the norm, we have maintained independence and selective, global partnerships. As an example, we work with proteomics experts at the Kazusa Institute in Chiba, Japan (the sister state to Wisconsin) and with thought leaders in life science research at the University of Wisconsin-Madison.

*Historically ranked as one of the top 10 places to work in the industry, Promega supports the strength and contribution of the individual. It is a business that understands that life is a balance of work, family, and personal growth.*

• **For the Community:** Promega appreciates that the strength of the surrounding community contributes to the success of business. As such, it's important to give back and to return the support to those around us. Focusing on key contributors such as education, science and creativity, we sponsor numerous community initiatives.

• **As an Employer:** Historically ranked as one of the top 10 places to work in the industry, Promega supports the strength and contribution of the individual. It is a business that understands that life is a balance of work, family, and personal growth. Employees work in similar, nonhierarchical space to foster creativity. We support staff by creating workspaces with features such as original art, 3rd spaces to evolve thinking, and restored prairies and woodland trails. In summary, our work environment

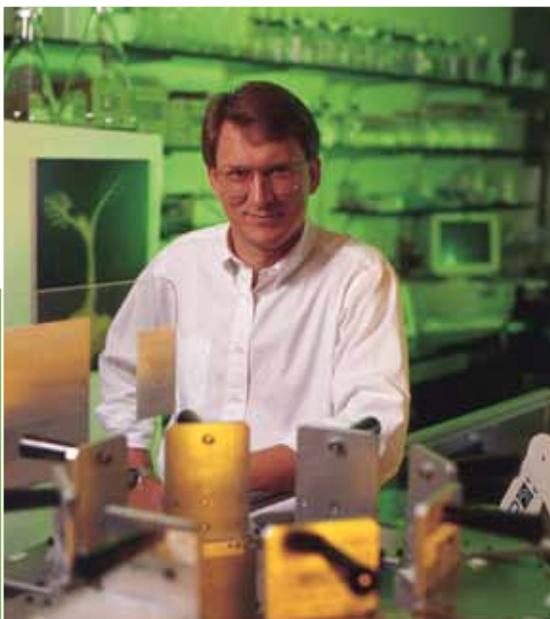


encourages individuals to explore new ideas, enrich their capabilities and rise to new challenges.

**CONTRIBUTING TO CURE, PREVENTION AND MORE**

What started as the production of enzymes for researchers has evolved to offering over 2,000 products for a broad array of scientific research and specific applications. Over 85% of all products are manufactured by Promega. Meeting international quality standards, our products and services are primarily used in five areas:

- **Basic Research:** Primarily conducted in academic and government labs around the world, basic research focuses on unraveling the complexities of life at the cellular and genetic level. From cancer to stem cells, scientists seek to understand the basic processes of life, how disease occurs, and ideas related to prevention and cure.
- **Drug Discovery:** Identifying compounds for drug development that combat sickness starts at a cellular level. Scientists need tools to test thousands of different



compounds at one time. In what can be a decade-long search for a single drug, scientists in drug discovery face pressure to deliver results quickly and accurately.

- **Forensics and Paternity Testing:** Expanding into new applications, tools used for DNA typing are now an essential part of solving crimes. These tools help sort through evidence to identify victims and profile suspects. They are the same tools used in other related applications, including identifying victims of natural disasters and parental and familial testing.
- **Hospital and Clinic-Based Diagnostics:** Molecular tools contribute to diagnostic testing for organ transplants, infectious disease and genetic screening. This is one of the fastest growth markets for our products.

Promega holds an extensive and growing number of patents. With significant dedication to research and development, our scientists are creating the next generation of innovative technologies to support increasingly complex scientific experiments and methods.

As of 2008, 145 US patents were assigned to Promega Corporation, and we hold a number of foreign patents as well. In addition to developing our own intellectual property, we work with academic institutions and other entities to license and develop promising technologies. As a member of the Wisconsin Alumni Research Foundation Research Tool Subscription Program, we have the opportunity to take a first look at new technologies from the university. [GRI 2.2, 2.7]<sup>1</sup>

*Of the 16 locations worldwide, ten are currently ISO certified, two are in the process of certification and the remaining four have goals for certification in the near future.*





**QUALITY PROCESSES**

Promega, Madison was first certified to international standards for quality management systems in 1998 and is currently certified to the ISO13485 standard, required for the development, manufacture, testing, and delivery of medical devices around the world. Of the 16 locations worldwide, ten are currently ISO certified, two are in the process of certification and the remaining four have goals for certification

*We take great pride in the products we produce and take care in providing customers with safety data, as well as comprehensive technical data sheets on the use of our products.*

in the near future. The ISO series of quality management system standards are developed and maintained by the International Organization for Standardization. An organization achieving ISO certification has demonstrated to a third-party body of experts that the organization meets all requirements of the standard. [GRI 4.12]<sup>1</sup>

**PRODUCT RESPONSIBILITY**

We take great pride in the products we produce and take care in providing customers

with safety data, as well as comprehensive technical data sheets on the use of our products. This information is either shipped with the product; available on our Web site or most recently through an iPhone application; explained at the time of service delivery. A high level of integrity is applied in all product claims and use information as the incident table below indicates: [EN 28, SO 8, PR 2, 4, 7-9]<sup>1</sup>

	2007	2008
Incidents of non-compliance regarding product health and safety codes	0	1
Incidents of non-compliance regarding product information and labeling regulations	0	0
Incidents of non-compliance with marketing communication regulations	0	0
Number of substantiated complaints regarding breaches of customer privacy and loss of customer data	0	0
Fines for non-compliance of laws and regulations concerning provision and use of products or services	0	0



# Environmental **Commitment**



## Environmental Commitment

Respecting the environment has always been a part of the Promega core values and general practices, but with increasing knowledge and awareness of environmental impacts it has become more important in today's society. We adhere to environmental regulations and seek to set higher standards for business that requires constant improvement of existing environmental practices. Environmental policies and practices have been founded around the philosophies of preservation, prevention, and recycling to create a more sustainable future.

### **PRESERVE: PROTECT OUR NATURAL SURROUNDINGS**

At Promega, we place high value in the preservation of natural surroundings through

a variety of actions from restoration projects that promote biodiversity to building design aiming to minimize environmental impacts. Promega headquarters in Madison, Wisconsin is one example where the Promega BioPharmaceutical Technology Center (BTC) overlooks a restored natural prairie. We have supported numerous restoration projects that started nearly twenty years ago and continue today with over 25 acres being restored around the Promega Campus. When constructed in 1994 several steps were taken during the design to minimize environmental impacts and create a mutually beneficial building. Native prairie landscaping was used to reduce application of herbicides and fertilizers as well as preserve the existing

ecosystem. Continued development in 2006 on the Madison-based global headquarters building, incorporated environmental stewardship into the building design. Utilization of storm water collection in the design allows runoff to drain to prairie and rain gardens for natural filtration. Other design features such as an underground parking structure have been taken to limit the use of asphalt and unnecessary alterations to the surrounding habitat. Internationally, our branch locations strive to embrace ecological responsibility in their facilities. Our Swiss branch recently moved into an

*Environmental policies and practices have been founded around the philosophies of preservation, prevention, and recycling to create a more sustainable future.*



environmentally friendly building, a so-called minergy construction. Heating, cooling and fresh air supply are provided via a special system that maintains the same climate year-round, but consumes only low amounts of energy. Preservation is only one principle of focus as we aim to be a more sustainable and environmentally responsible company. [GRI EN 13]<sup>1</sup>

**PREVENT: SCRUTINIZE PROCESSES FOR ENVIRONMENTAL IMPACT**

We recognize that there are always opportunities to operate in a more efficient manner through improving energy efficiency, reducing resource consumption, and waste minimization. We integrate our environmental responsibility in packaging where packaging is designed and developed for minimum use of resources. Over the last few years, we have used re-usable containers such as the “Enviro-Container” as a way to reduce the materials wasted and costs associated with shipping in select locations. In November of 2008 further revision and innovation allowed for new shipping materials to transport dry ice and products worldwide more efficiently in the form of the “Pallet Shipper”. This container allows for more products to be shipped with less space and size. This increasing efficiency has decreased

*“Greening” the supply chain has allowed for a reduction in carbon dioxide emissions per shipment by what is equivalent to the carbon offset by over 70 trees.*

environmental impact with up to a 55% reduction in weight of dry ice and up to a 75% reduction in dry ice used. “Greening” the supply chain has allowed for a reduction in carbon dioxide emissions per shipment by what is equivalent to the carbon offset by over 70 trees. Also the development of Promega Express for onsite stocking at institutions has reduced shipping of multiple orders by an average of 70% allowing for less packaging materials and unnecessary shipping. We seek to prevent future issues and environmental impacts through constant advancements in technology and our recognition of opportunities to redesign operations. [EN 26]<sup>1</sup>

**RECYCLE: REDUCE IMPACT ON LANDFILLS** Promega seeks to live the mantra of “Reduce, Reuse, Recycle” in all aspects of operation. Whether it involves using reusable “Enviro Containers”, paying for our customers to



ship back styrofoam to be re-used free of charge, purchasing materials that are made up of recycled content or internal recycling programs. We strive to use the valuable and scarce resources we have in a responsible manner. Approximately 30,000 Styrofoam containers are collected and reused each year at most Promega locations worldwide, greatly limiting the amount of waste being sent to landfills and the unnecessary consumption of natural resources. In Switzerland, we have been using special reusable shipping boxes for more than 10 years in attempt to reduce waste and Styrofoam. [EN 27]<sup>1</sup>

## ENVIRONMENTAL INDICATORS

In order to get an estimate of our annual environmental impact, it is important to measure the main indicators and set appropriate goals for the future. Overhead and utilities make up a large portion of key environmental indicators, but also processes that create a substantial amount of waste or consume large quantities of resources.

Global Environmental Indicators		
	2007	2008
Electricity (Kwh)	14,476,587	14,660,291
Natural Gas (Therms)	566,352	575,966
Water Usage (Gallons)	11,971,100	13,531,485
Plain Paper (Reams)	9,632	8,722
Printed Paper (Reams)	4,518	4,810
Air Travel (Miles)	7,001,921	8,078,852
Fleet Travel (Miles)	1,616,809	1,672,071

*We were able to recognize the main contributors to climate change allowing appropriate actions to be taken to curb these impacts.*

Direct Air Emissions										
Tons	NOx	N2O	CO	CO2	SO2	PM	VOC	Pb	H <sub>2</sub> S	HAP
2008 Total:	2.9662	0.0551	2.2440	4035.1534	0.0437	0.2214	1.3742	1.25E-05	0.0026	0.0481
2007 Total:	2.6512	0.0531	2.0799	3910.5410	0.0302	0.2002	0.9235	1.21E-05	0.0024	0.0458

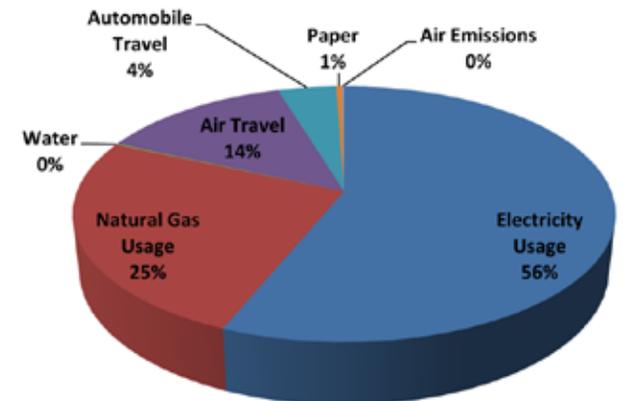
## CARBON FOOTPRINT

The carbon footprint of Promega has been calculated based on indicators such as electricity and natural gas consumption, business transportation, water usage, and paper consumption. We were able to recognize the main contributors to climate change allowing appropriate actions to be taken to curb these impacts. The following has been calculated for calendar year 2008 using Carbon2Go Carbon Calculator and the [PaperCalculator.org](http://PaperCalculator.org) as supported by the Environmental Defense Fund for quantifying the life cycle environmental impacts of our paper consumption. Utilities such as

electricity and natural gas usage were found to be the largest contributors followed by transportation. [EN 16-17, 19-20]<sup>1</sup>

While Promega has always had conscientious environmental policies and taken actions in order to limit our environmental impacts, we recognize that there are challenges in today's society that require greater initiatives and changes to be made.

A significant corporate initiative to minimize our environmental impact is the reduction of paper used in product promotion. By discontinuing bi-annual catalogs and utilizing e-brochures we aim to



limit our carbon footprint, combat deforestation, and make communication with employees, customers, and suppliers more efficient. The growth of smart phones and other multimedia devices with access to the internet creates huge opportunities for Promega. By aiming to reduce paper usage by 50% of 2008 levels by the end of 2011, substantial environmental impacts can be avoided. Reaching this goal will prevent over 2,400 trees from being consumed for wood usage per year. The energy savings from using 50% less paper will result in the saving of over 465 million BTUs of energy, which is approximately enough energy to power 5 homes for an entire year. In addition, over 300,000 gallons of water will be saved from either consumption during production or discharged as wastewater.

*The energy savings from using 50% less paper will result in the saving of over 465 million BTUs of energy, which is approximately enough energy to power five homes for an entire year.*

Energy consumption is expected to increase slightly with heavier dependence on technology and digital content, but because computers and other forms of technology are currently used, the environmental impacts from increased energy consumption is expected to be miniscule. Switching to electronic documents is better for the environment, better for the user, and better for the future.



Another area of focus for 2009 and the future is to utilize technological advances that can limit travel while improving efficiency and productivity. Recent investment in video conferencing equipment at all Promega locations aims to improve communication and reduce business travel. In the calendar year 2008, over 5 million miles were traveled via airplane for business purposes by Promega employees out of Madison alone. Air travel contributed to over 1,750 tons of carbon dioxide emissions in 2008 and over 13% of the annual carbon footprint. Adoption of video conferencing when face to face meetings are not completely necessary can greatly limit carbon emissions with only

Carbon Footprint 2008	Tons of Carbon	% of Total Emissions
Electricity Usage	7,667.3	56.19%
Natural Gas Usage	3,469.0	25.43%
Water	20.5	0.15%
Air Travel	1,847.6	13.54%
Automobile Travel	563.8	4.13%
Paper	58.8	0.43%
Air Emissions	17.1	0.13%
<b>Total</b>	<b>13,644.2</b>	<b>100.00%</b>

a minimal rise in emissions from electricity consumption. With the same goal, setting up Promega Eurolab in Lyon France is another way to limit the number of transatlantic flights of our European employees by offering adapted facilities for technical trainings and seminars.

### REGIONAL INDICATORS AND INITIATIVES [GRI EC 3-4, 8]<sup>1</sup>

Due to the large emissions related to energy consumption steps are being taken to reduce emissions through improved energy efficiency. In 2008, Promega Biosciences in California installed a new ventilation system in manufacturing to reduce energy consumption. The impact in 2009 is anticipated to be a 20% reduction in overall energy consumption as well as improved

North America			
	2007	2008	% of Total
Electricity (Kwh)	13,621,761	13,610,852	93%
Natural Gas (Therms)	564,251	573,632	100%
Water Usage (Gallons)	11,888,573	13,423,888	99%
Plain Paper (Reams)	8,418	7,435	85%
Printed Paper (Reams)	3,889	4,115	86%
Air Travel (Miles)	4,829,007	5,070,837	63%
Fleet Travel (Miles)	748,200	732,990	44%

safety and comfort for employees. In order to limit greenhouse gas emissions from fleet vehicles, we have enrolled all fleet vehicles in the US in Emkay's GoGreen Fleet Program. This program consists of hybrid, high fuel efficiency vehicles, and vehicles using alternative energy sources to reduce the amount of greenhouse gas emission from

transportation. In addition to selecting the most fuel efficient vehicles the emissions of these vehicles are offset by planting trees through The Conservation Fund. At the end of each calendar year we will make a donation to offset the emissions as calculated by Emkay's GoGreen Program.

*2008 improvements at our California site are anticipated to reduce energy consumption by 20% in 2009.*



Several of our European branches have taken steps to act in a more environmentally responsible manner and express their commitment to their local communities. In response to the large contributions from transportation and consumption of fossil fuels in the Netherlands, we have altered our car lease policy to include only hybrid and high fuel efficiency vehicles. In 2007, our Swiss branch moved offices to a building that was built according to the minergy standard and aimed to limit unnecessary energy usage. From lights that are programmed with sensors to use the lowest energy consumption to switching off computers and equipment in the evening and over the weekend. An initiative that is currently underway at Promega Eurohub in Germany is determining the most sustainable solution to our product packaging in Europe, thus insuring that our glass, cardboard, and plastic waste is handled and recycled in the most environmentally friendly way possible.



*An initiative is currently underway at Promega Eurohub in Germany to determine the most sustainable solution to our product packaging in Europe.*

Europe			
	2007	2008	% of Total
Electricity (Kwh)	343,355	524,726	4%
Natural Gas (Therms)	2,101	2,334	0%
Water Usage (Gallons)	66,523	96,884	1%
Plain Paper (Reams)	831	874	10%
Printed Paper (Reams)	405	461	10%
Air Travel (Miles)	439,000	643,363	8%
Fleet Travel (Miles)	821,709	891,081	53%



In Australia, Promega offices are located in a corporate business park that has a strong focus on sustainability. The park currently harvests around 1,000,000 liters of rain-water per month with the water being re-used for non-consumption purposes within the facility. Also, the amount of waste sent to landfills has been reduced by around 90% by using Alternative Waste Technology focusing on recycling and composting of organic materials. Commitment to sustainability is also shared in Singapore as



packaging has been redesigned allowing for more products to be shipped with less packaging and dry ice.

Taking actions to minimize our environmental impacts have proven to be effective, but there will be environmental impacts for years to come that have to be addressed. Through the purchasing of carbon credits to offset carbon emissions, switching to more environmentally responsible business solutions and support of renewable energy sources, a reduction in atmospheric carbon dioxide can be realized. Promega recognizes that operating in a more sustainable manner is a process of continuous improvement that involves a long-term commitment and dedication to environmental stewardship.

Pacific/Asia			
	2007	2008	% of Total
Electricity (Kwh)	511,491	524,713	4%
Water Usage (Gallons)	16,003	10,713	0%
Plain Paper (Reams)	383	413	5%
Printed Paper (Reams)	224	234	5%
Air Travel (Miles)	1,733,914	2,364,652	29%
Fleet Travel (Miles)	46,900	48,000	3%

*Promega recognizes that operating in a more sustainable manner is a process of continuous improvement that involves a long-term commitment and dedication to environmental stewardship.*



# Social**Commitment**



At Promega we recognize that our responsibility to society is not just confined to our business, but that we should seek to improve the lives of our employees, local communities, and customers in our pursuit to improve our products. We hope to contribute to the advancement of our global society through our commitment to our communities, diversity, labor standards, health and safety, education, and human rights.

### COMMUNITY INVOLVEMENT AND EDUCATION

Promega appreciates that the strength of the surrounding community contributes to the success of business. As such, it's important to give back and to return the support to those around us. Focusing on key

contributors such as education, science and creativity, we sponsor numerous community initiatives. Our commitment to community advancement took a substantial step in 1991 with the development of a non-profit organization, the Woods Hollow Children's Center. This facility was developed to provide early childcare education and support to the surrounding community of our headquarters in Madison, Wisconsin. The Woods Hollow Children's Center serves young children from 6 weeks of age up to

3 years during this vital period of development. This facility is available to Promega employees and local community members to encourage parental involvement and support.

To further interact with the community and endorse education another not-for-profit was created in 1993 with the BioPharmaceutical Technology Center Institute (BTCI). This facility was created on the Promega campus in Madison to more formally



*Promega appreciates that the strength of the surrounding community contributes to the success of business. As such, it's important to give back and to return the support to those around you.*

*Promega work environment encourages individuals to explore new ideas, enrich their capabilities and rise to new challenges.*

provide support and training to the education community and show children what a Biotech company is all about. This facility has more than 20,000 square feet dedicated to scientific educational and cultural purposes for children and young adults. This facility also serves as an important location to promote the exchange of information between industry, educators and the general public.



Promega seeks to be an active participant in the community with support of local educational organizations, humanitarian groups, environmental organizations, and other groups. Rotating public art exhibits on the Promega campus serve a dual purpose. The exhibits share the creativity of the neighboring artists and introduce the community to international perspectives. Throughout the years, exhibits have featured work of artisans from Wisconsin to Cuba on everything from quilts to large murals.

Promega Spain is just one example of our social commitment worldwide and was awarded the Municipal Award for equal opportunity and conciliation by the City

of Alcobendas. We strive to support our employees for community involvement by matching any employee donation and encouraging employees to volunteer through paid volunteer hours outside of work. In 2008, over 1,700 hours were spent by employees volunteering for educational purposes alone. While monetary donations are always needed, time spent volunteering and interacting with the community is seen to have a much more lasting and valuable impact. [GRI SO 1]<sup>1</sup>

#### **EMPLOYEE FOCUS**

Promega has been historically ranked as one of the top 10 places to work in the industry because we support the strength and

contribution of the individual. We understand that life is a balance of work, family, and personal growth. Employees work in similar, nonhierarchical space to foster creativity and comfort. We support our staff by creating workspaces with features such as original art, 3rd spaces to evolve thinking, and restored prairies and woodland trails. In summary, the Promega work environment encourages individuals to explore new ideas, enrich their capabilities and rise to new challenges.

Last year we added 29 new employees and experienced no increase in our turnover rate of 12.3%. Of our 978 total employees in 2008, 46% are women. We have no incidents of discrimination or violations involving rights of indigenous people.

#### **TRAINING**

Our world is constantly changing, evolving and advancing. We need to do the same. We have to stay focused on the latest technologies, scientific trends and customer needs in order to stay competitive

in the marketplace. Our people determine the quality of our products and services. Investing in them is an investment in the future. Promega has comprehensive training facilities in the US and now in Europe with the new Eurolab in France. Employee development and empowerment is given high priority where Promega will help our employees further follow their passions. Although we have not tracked hours per employee, globally we invest on average over \$1,000 annually per employee in training and continuous education not including employee time. [LA 11-12]<sup>1</sup>

#### WELLNESS PROGRAMS

Promega recognizes that our employees provide an intangible value to our company

and we aspire to support the progression and advancement of our employees. We aim to provide an exciting and challenging work environment where individuals can be innovative, awarded for their contribution, and at the same time achieve a work-life balance. To insure that our employees are happy and healthy, Promega offers a multitude of wellness programs designed to encourage a healthy lifestyle.

#### BENEFITS

In addition to the above wellness program, additional benefits aside from compensation include medical, dental, and vision coverage options available to all full-time employees and their families. Short and long term

disability insurance, tuition assistance, and paid time-off are additional benefits that are available to all full-time employees. These benefits add 23% of earnings to employee compensation programs. While benefits vary depending on the region and societal norms in that location, the health and safety of our employees has the highest importance. [EC 3, LA 3]<sup>1</sup>

#### HEALTH AND SAFETY

A healthy and safe working environment for our employees is crucial to the success of our company and long term employee

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satisfaction. With the most stringent commitment to our employees we strive to not only comply with but exceed, required regulations. In 2008 our employee accident rate as measured in the United States declined by over 10% from 2007 to just 6 accidents per million working hours.

Promega continues to strive to reduce the occurrence of occupational injuries through continuous improvement in our Employee Health and Safety Department and commitment to continuous training.

#### **DIVERSITY**

Diversity is another area of focus where it is believed that all employees should be recognized and valued for their uniqueness. Equal opportunity is practiced at Promega, where we aim to increase opportunities to underrepresented groups. Women make up approximately 46% of the worldwide workforce, with 43% of management positions at the Promega campus currently being held by women. With branches in 12 countries across the world and distributors

in 50 countries our employees represent a wide variety of backgrounds with each bringing unique knowledge and experiences to Promega.

#### **HUMAN RIGHTS**

Promega places high value on human rights and follows all regulations regarding employment. Issues such as child labor, compulsory labor, minimum wages, working hours, discrimination, and working conditions are taken very seriously. We have zero tolerance to violations of these issues internally and with suppliers. Promega complies with all local workplace regulations and insures that our employees and community members are treated in the most ethical manner. [GRI EC 1, EN 30, LA 1-2, 7,]<sup>1</sup>

# Appendices



	2007	2008
Revenue	\$212,896,962	\$223,099,205
Investments in EHS	\$377,926	\$714,603
Investments In R&D	\$21,250,653	\$23,080,620
Increases to IShareholder Value	13.01%	16.62%

Number of Employees	925	965
Growth in Employees	60	40
Employee Compensation	\$67,612,191	\$72,571,040
Compensation per Revenue	32%	33%
Employee Compensation and Benefits	\$82,754,125	\$89,132,831
Compensation and Benefits per Revenue	38.9%	40.0%
Percentage of Women in Total Workforce	45.8%	45.6%
Percentage of Women in Management	44.2%	42.8%
Staff Turnover Rate	12.3%	12.3%
Average Training Investment Per Employee	\$859	\$1,056
Community Investment:		
Community	20%	16%
Education	80%	84%
Occupational Accidents	9.00	8.00
Occupational Accidents Per Million Working Hours	6.7350	6.0045

	2007	2008
Energy Consumption		
Electricity (kWh)	14,476,587	14,660,291
Natural Gas (Therms)	566,352	575,966
Greenhouse Gas Emissions (Tons of CO2)		
Tons of Emissions Per Million in Revenue	61.83	60.89
Water Consumption (Gallons)	11,971,100	13,531,485
Printed Paper (Reams)	4,518	4,810
Plain Paper (Reams)	9,632	8,722
General Waste (Incinerated, Land filled, Recycled) in ft3	172,877	179,834
Chemical Waste Recycled (Pounds)	121,523	120,308
Styrofoam Returns	12,586	17,246

Promega sustainability reporting is calculated on a calendar year basis with information in this report covering January 1, 2007 to December 31, 2008. This is the first sustainability report compiled by Promega and this process will continue on an annual basis.

This report attempts to focus on the environmental and social impacts of our operations and is based on the Global Reporting Initiative's G3 Guidelines. While not all of the indicators are included at this time, we hope to increase the scope, materiality, and comprehensiveness in future reports. Information has been gathered from all Promega branches worldwide, but not all indicators were relevant or measured in the past at all branches. [GRI3.1, 3.3, 3.5-3.7]<sup>1</sup>

**AREAS THAT HAVE NOT BEEN MEASURED IN THIS REPORT DUE TO LACK OF CURRENT INFORMATION ARE:**

- **Distribution:** recognized as a source of indirect carbon emissions and to be captured in future reports
- **Supply Chain Management:** partnering with suppliers to embrace sustainability values
- **Packaging:** in process of analyzing recycled content of materials and impacts of reusable packaging (Styrofoam and pallet containers)
- **Staff Commute**
- **Effluents to Water**
- **Hazardous Waste and Spills**

**AREAS WITH LIMITED INFORMATION:**

- **Employee accident rates have only been included for North America**

The calculations for the carbon footprint were calculated with the assistance of [carbon2go.org](http://carbon2go.org) and included business utilities, transportation, and paper consumption. The life cycle impacts due to paper usage were measured in tons off the Environmental Defense Fund's Paper Calculator ([PaperCalculator.org](http://PaperCalculator.org)) with 1 ton of paper being calculated as 400 reams. Our paper consumption was broken down into two different categories including purchased printed paper calculated as "Coated Freesheet" and plain computer paper as "Uncoated Freesheet". Both these types of paper were assumed to be 20% recycled in the calculations. Promega is committed to reporting accurate and reliable information with this information being the most accurate representation of our sustainability program at this time. [GRI 3.9]<sup>1</sup>