



Sustainability Report

2023



SUSTAINABILITY AT BADGER COLOR CONCENTRATES



Since our inception in 1997, Badger Color Concentrates has emerged as a leading masterbatch manufacturer, specializing in customized colorants and functional additive concentrate. As a full-service provider in the realm of masterbatch and liquid solutions, we offer a diverse range of value-added products. Our customer-centric approach involves close collaboration to comprehend their needs, and we provide expert guidance throughout the color matching process.

With 25 years of rich experience and a team equipped with technical know-how, Badger Color Concentrates is poised to exceed customer expectations for decades to come. Explore more about our offerings at our website: www.badgercolor.com.

In tandem with the evolving landscape of our business and the industries we serve, there is an escalating global focus on sustainability. Recognizing this imperative, we understand the need to further align our growth strategy with sustainability to remain the preferred partner in the industry. While consistently adhering to environmental regulations, we acknowledge the potential for additional initiatives. Sustainability is deeply ingrained in our Core Values and permeates all levels of our company.

Illustratively, our strategically situated headquarters and manufacturing facility in (Mukwonago) Wisconsin, U.S.A, along with our manufacturing facility in (Kings Mountain) North Carolina, U.S.A, are strategically positioned to minimize transportation costs and emissions. Throughout the new project development phase and manufacturing, active collaboration with our customers identifies opportunities for energy efficiency and waste reduction in product design, material selection, and supply chain operations.

Internally, we maintain a robust understanding of our carbon, waste, and water footprint. Our Executive Leadership Team engages in discussions on sustainability initiatives and environmental performance. On-site operations with controlled management systems certified in ISO 9001:2015, underscore our commitment to maintaining the right procedures and ensuring continuous improvement across all certification areas.

Through engagement with our customers, leadership team, and all employees, Badger Color Concentrates is committed to transforming into the all-encompassing sustainable company – fiscally, socially, and environmentally.

OUR VALUES

Put People First

Customers, employees, and suppliers are at the heart of everything we do.

Act Boldly

We embrace change, adapt quickly, work hard and never stop innovating

Collaborate

We respect, value, and celebrate what we can do together

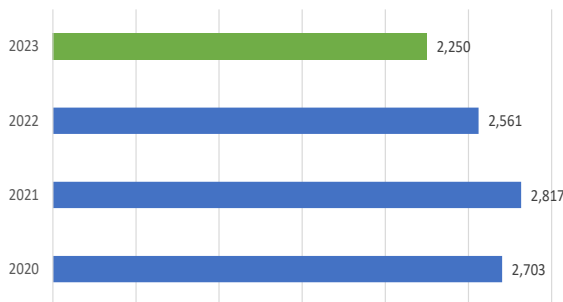
ENVIRONMENTAL PERFORMANCE



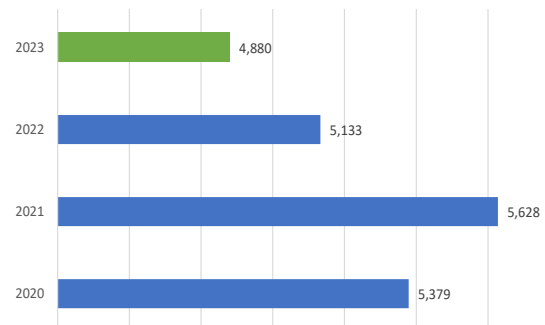
Outlined below is a snapshot of Badger Color Concentrate's environmental performance as of the year-end 2023, accompanied by a summary of the sustainability initiatives successfully undertaken in the preceding year. We hold the belief that sustainability is not a brief sprint but rather a prolonged journey demanding continual dedication and judicious cost-conscious decision-making. Although we find ourselves in the early phases of this journey, the ensuing summary encapsulates our initial strides towards heightened transparency and accountability in our sustainability performance.

We recognize that substantial enhancements necessitate time, and while we are in the early stages, we are enthusiastic about amplifying our accomplishments. Anticipate further updates on our sustainability journey in the forthcoming round of sustainability reporting, as we remain committed to sharing our progress.

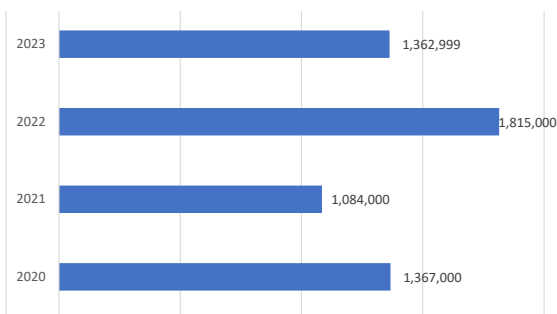
SCOPE 1 & 2 EMISSIONS
[Metric Tons CO₂e]



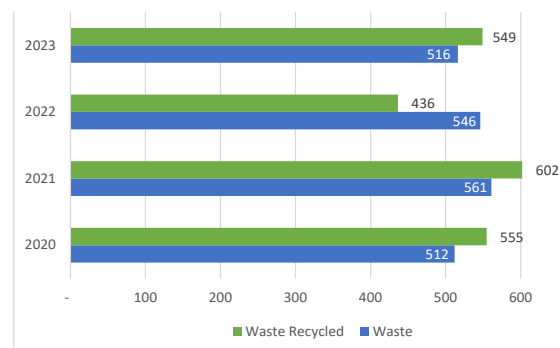
ELECTRICITY CONSUMPTION
[Million kWh]



WATER USAGE
[Gallons]



WASTE & RECYCLING
[US Tons]



¹ This Report provides data, facts, and figures based on activities during Badger Color Concentrates' fiscal years 2020, 2021, 2022 and 2023 (January 1 to December 31). The environmental data in this Report covers 100% of Badger Color Concentrates' owned manufacturing facilities. Environmental metrics are preliminary, unaudited, and subject to revision.

ENERGY & EMISSIONS



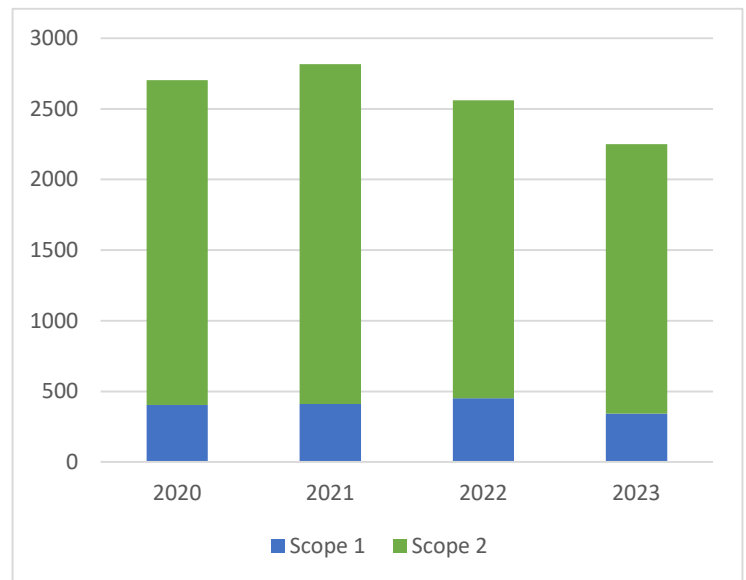
As a manufacturing company, Badger Color Concentrates acknowledges the inherent energy and emissions intensity of its operations. The company relies on electricity for its processes, resulting in the generation of carbon dioxide (CO₂) and carbon dioxide equivalent (CO₂e) emissions that contribute to climate change. The primary source of carbon equivalent emissions at Badger Color Concentrates is the electricity needed to power its extrusion and molding machines.

Badger Color Concentrates operates approximately 24 extrusion lines and 15 molding machines around the clock, at least five days a week.

The emissions inventory of Badger Color Concentrates compiles carbon equivalent emissions from all manufacturing and warehousing operations in Wisconsin and North Carolina. Additionally, it includes non-production-related equivalent emissions from other locations and sources owned and operated by Badger Color Concentrates. Scope 1 emissions encompass all direct emissions from fuel combustion, such as natural gas, propane, diesel fuel, and gasoline. On the other hand, Scope 2 emissions encompass all indirect emissions attributable to Badger Color Concentrates from the consumption of purchased electricity.

Data from each emissions source undergoes compilation and conversion using standard conversion factors published by the U.S. Environmental Protection Agency to calculate the total CO₂e output for Badger Color Concentrates.

Total ABSOLUTE EMISSIONS
[Metric Tons CO₂e]



Goal: Badger Color Concentrates strives for a near term goal of 50% reduction of SCOPE 1 and SCOPE 2 emission by 2030. In pursuing this goal Badger Color Concentrates focuses primarily on increasing the share of electricity generated from renewable sources.

ENERGY & EMISSIONS

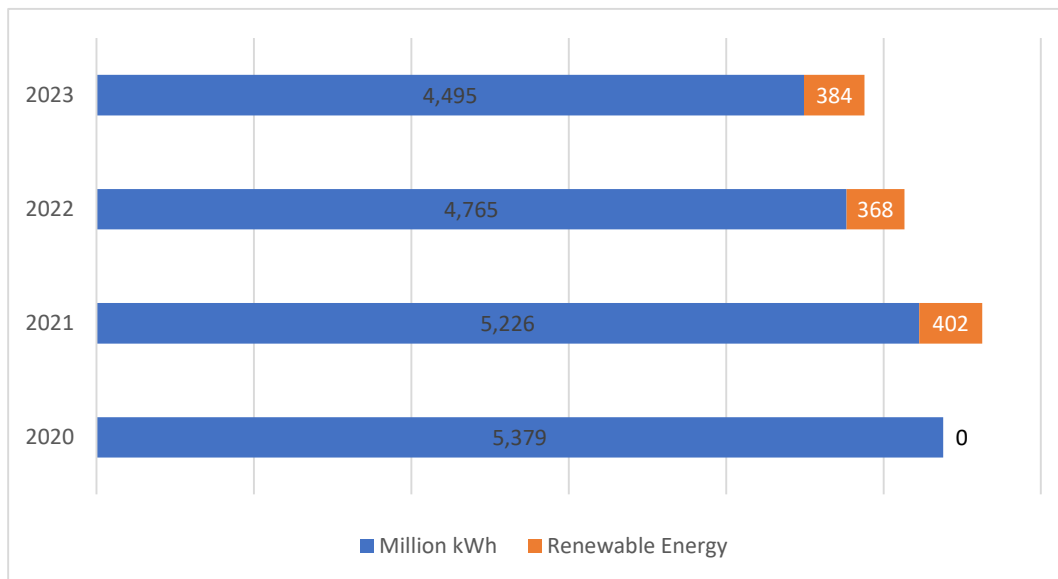


Badger Color Concentrates encounters a unique set of challenges as a custom masterbatch and liquid concentrate company when it comes to anticipating and managing energy consumption. The variability in our energy consumption is significant from year to year, depending on factors such as the timing and quantity of pounds ordered and the corresponding customer demands. The diverse range of products, with distinct complexities, order sizes, and production requirements, contributes to varying energy needs during the manufacturing process. Moreover, the unpredictability of customer demand patterns adds another layer of complexity to the variability in our energy consumption.

As of the end of 2023, Badger Color Concentrates relies on the grid for 100% of its electricity with incorporating 9-7% renewable sources supplied from our Energy suppliers based on location.

Badger Color Concentrates remains steadfast in its commitment to minimizing the environmental impact of its operations to the greatest extent possible. We perceive these challenges as opportunities to enhance operational efficiencies, achieve cost savings, and simultaneously make a positive impact on the environment.

ELECTRICITY CONSUMPTION [Million kWh]



WASTE & RECYCLING

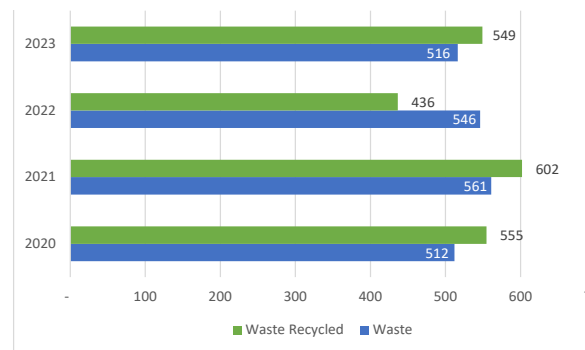


The team at Badger Color Concentrates is collectively responsible for minimizing, reusing, and recycling whenever possible. Similar to our energy consumption, predicting the annual amount of waste we generate poses challenges as it is contingent on the timing, quantity, and type of products contracted for manufacture.

However, we emphasize the significance of waste reduction and responsible waste management as integral components of our broader sustainability initiatives. To decrease our overall waste production, we actively engage in reprocessing and recycling unused and non-conforming plastics, as well as other recyclable or reusable scrap materials. We implement a systematic approach with clearly labeled, color-coded bins for recycling glass, plastics, paper, and cardboard. In instances where waste is unavoidable, we adhere to local, regional, and national environmental regulations for safe and responsible disposal.

We are committed to continuous improvement in monitoring our waste streams, aiming for progress in minimizing them. Recognizing that enhanced sorting and separation on our part facilitate better handling by waste and recycling companies, we are dedicated to internal improvement efforts. Collaboration with inbound suppliers is another focus area to reduce the amount of waste entering our facility. Additionally, we will persist in promoting our returnable packaging program to customers as a mutually beneficial approach, realizing cost savings and contributing to waste reduction.

WASTE & RECYCLING [US Tons]



Goal: Badger Color Concentrates strives to improve our recycling / re-use and prevent waste from going into the landfill. Goal (with incremental annual goals) is to divert 60% of our waste away from landfill by 2030.

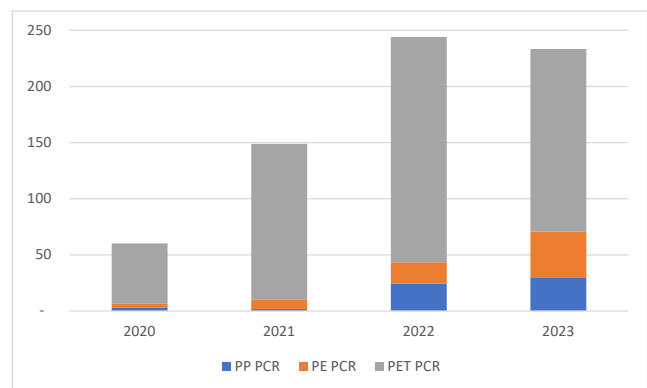
Badger Colors Pilot program Returnable Drum

RESOURCE USE



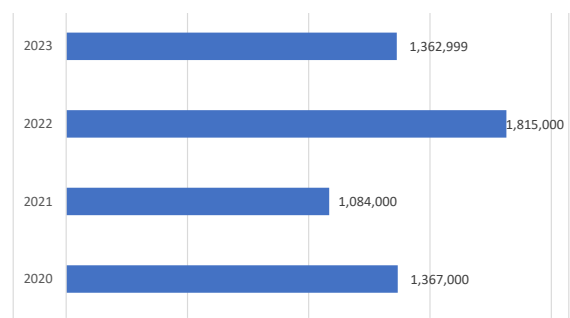
Badger Color Concentrates is committed to sustainability and environmental stewardship. As part of this commitment, we offer post-consumer resin (PCR) masterbatch carrier systems in polypropylene (PP), polyethylene (PE), and polyethylene terephthalate (PET). This initiative has a significant positive impact on our carbon footprint and our customers. By lowering energy consumption, decreasing greenhouse gas emissions, supporting the recycling industry, and reducing landfill waste, we contribute to a more sustainable manufacturing process. This initiative aligns with our broader ESG goals and underscores our dedication to environmental responsibility.

POST CONSUMER RESIN [US TONS]



Badger Color Concentrates recognizes the importance of water resource management and the necessity of reducing reliance on freshwater resources as key elements in establishing a more sustainable company. We understand that water plays a crucial role in the manufacturing process, and while complete elimination of water consumption is not feasible, our aim is to find a harmonious balance between the water essential for our operations and enhanced conservation efforts.

At present, all water consumed by Badger Color Concentrates is derived from municipal sources and is classified as potable water. Any wastewater generated undergoes one of two processes: either it is recycled and reused through our closed-loop water system or it is discharged into public treatment systems. This approach aligns with our commitment to responsible water usage and sustainable practices.



WATER USAGE [Gallons]

COMMITMENT TO CONTINUOUS IMPROVEMENT



At Badger Color, we are dedicated to upholding the highest standards of environmental responsibility and product safety in our masterbatch manufacturing processes. As part of our ongoing commitment to sustainability and innovation, we are pleased to announce that both of our manufacturing facilities have transitioned to PFAS-free raw material use.

Per- and Polyfluoroalkyl Substances (PFAS) are a group of synthetic chemicals known for their persistence in the environment and potential adverse effects on human health. By eliminating the use of PFAS-containing raw materials in our manufacturing processes, we are taking a proactive approach to minimize environmental impact and protect the health and well-being of our employees, customers and communities.

Our decision to go PFAS-free in raw material sourcing underscores our dedication to sustainability and product safety. We have worked closely with our suppliers to ensure that all raw materials used in our masterbatch formulations are free from PFAS compounds.

This transition aligns with our company's core values and commitment to corporate responsibility. We believe that by prioritizing PFAS-free raw material use, we are not only reducing potential risks to human health and the environment but also setting a new standard for excellence in our industry.

As we move forward, Badger Color will continue to invest in research and development to identify alternative materials and processes that further enhance the sustainability and safety of our products.

Thank you for your continued support as we strive to lead the way in sustainable masterbatch manufacturing.

Sincerely,

Mike Madey
General Manager
Badger Color Concentrates



SOCIAL CONSIDERATIONS



Community Engagement and Social Responsibility

Badger Color Concentrates is deeply committed to fostering positive relationships within the communities where we operate and promoting environmental sustainability. In line with our commitment, we celebrated Earth Month 2023 by distributing 300 seedlings to our employees in both Wisconsin and North Carolina. This initiative reflects our dedication to social responsibility and environmental stewardship.

Earth Month Initiative: Seedling Giveaway

The Seedling Giveaway was designed to encourage environmental consciousness and promote the significance of tree planting among our employees. By providing seedlings, we aimed to empower our staff to contribute to local reforestation efforts and enhance biodiversity in their communities.

Impact on Employees and the Community

The Seedling Giveaway had several positive impacts on our employees and the wider community:

Environmental Awareness: Distributing seedlings to employees helped raise awareness about the critical role trees play in maintaining ecological balance, providing wildlife habitats, and improving air quality. Employees received informational materials on planting and caring for the seedlings, fostering a deeper understanding of environmental conservation.

Employee Engagement: The initiative engaged employees across our Wisconsin and North Carolina locations, promoting a sense of unity and shared purpose. Participating in the Seedling Giveaway allowed employees to connect with the company's sustainability goals on a personal level, enhancing job satisfaction and morale.



🌲 EARTH DAY 2023 🌲

Join Badger Color as we Celebrate Earth Day with a **FREE tree.**

According to the Arbor Day Foundation, in one year, a mature tree will absorb more than 48 pounds of carbon dioxide from the atmosphere and release oxygen in exchange.



Share your newly planted trees @badgercolor

Community Benefits: As employees planted their seedlings in local areas, the broader community benefited from the increased green spaces. These trees will contribute to reducing carbon dioxide levels, improving air quality, and enhancing the natural beauty of the surroundings.

Long-term Environmental Impact: The trees planted by employees will provide long-term environmental benefits, including carbon sequestration, soil stabilization, and the creation of habitats for various species. This initiative supports our broader goals of promoting sustainability and protecting natural resources.